Sir Norman Angell on Money (Page 13)

THE FINANCIAL POST

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The Nation's Business

Businessmen Regret New C. N. R. Control

We Sell Whisky and Buy Magazines

One Consequence of U. S. Treaty

Wheat Pool Payment Is Expensive Political Handout

Political Pressure and the "National"

PLANS of the government to put the Canadian National Railway back into politics have been viewed with some regret by businessmen. Undoubtedly the Minister of Transportation, Mr. Howe, has cause to be dissatisfied with what has been done by the Board of Trustees. From outward indications it has been a rather somnolent body. Mr. Howe's policy is to enlarge the board and to make it more directly responsible to Parliament. Ottawa gossip has it that the government's plan is to make S. J. Hungerford, the president, the active head of the system, with R. C. Vaughan, vice-president, his right-hand man. Both Mr. Hungerford and Mr. Vaughan are competent operating executives who enjoy the confidence of their staffs, of shippers and of taxpayers.

* * *

IT MAY be that under Mr. King, Mr. Dunning and Mr. Howe the new board of directors will be free from political interference. But the temptation to use the C. N. R. for vote-getting purposes will be strong, especially in the immediate pre-election periods.

Probably the form of control of the National Railways is less important than the manner in which control is exercised. Any system would work well, given a strong executive willing to ignore political pressures. For its own protection, as well as in the interests of the taxpayers, the government should appoint directors whose independence and strength will be proof against the dangers of political and community pleasure.

One very distinct possibility is that the Senate will kill the new railway bill. In that event, the government's contribution to solving the railway problem will probably be limited to an effort to shake up or wake up the trustee board.

* * *

Swapping Whisky For U. S. Propaganda

LOOKING into the first two months results of the operation of the U. S.-Canada trade agreement, it is apparent that Canada's greatest single immediate gain was in the halving of the U. S. A. duty on whisky. Our agriculturists and lumbermen have already been able to increase their exports and no doubt will show further gains as they are able to consolidate their newly found markets. But whisky exports have moved up most sharply.

This is made clear by the following figures, which indicate the major increases in our January and February exports over 1935 on those items wherein Canada was given an improved position under the treaty:

	Jan.-Feb., 1936 Incr. over '35
Alcoholic beverages (mainly whisky)	$2,393,000
Cattle	697,000
Planks and boards	550,000
Fish	506,000
Meats	210,000

* * *

STUDY of the trade gains of the United States under the treaty reveals that Canada's increased importations have been spread over hundreds of items. Canada received duty reductions on 63 items but granted its intermediate tariff on everything, thus reducing or wiping out the duty on a wide range of items representing most of our tariff structure.

Many Canadian industries have been hit very badly by the treaty because the indiscriminate granting of our entire intermediate tariff schedule preceded a revision of that column in our tariff to remove the anomalies that had crept into it over a term of years. Typical of such industries are those producing cut flowers, fox pelts, furniture and printing. It is confidently expected that adjustments will be made in the forthcoming budget to meet the peculiar problems of these industries.

* * *

MOST seriously affected of any group of Canadian producers is the magazine publishing industry. The dollars and cents value of importations is small in comparison with many other items because United States magazines are dumped on this market at far below cost of physical production. A great many newspapers in Canada have expressed concern over the largely increased imports of U. S. magazines. The Stratford Beacon-Herald, for example, contrasts with manifest concern our largely increased exports of whisky with our largely increased imports of periodicals.

The whisky distillers have achieved a double stroke in the treaty. First they have got an enlarged U.S. market. Second, they have found a way to increase their advertising in Canada. Most provinces forbid liquor advertising in Canadian publications. But periodicals published in the United States and carrying liquor ads may circulate freely. Most of the big Canadian brands are ex-

(Continued on page 2, col. 4)

Alberta First Province In Dominion to Default On Its Bond Obligations

Aberhart Rejects Loans Council Plan

PAYS INTEREST

Rejecting financial salvation in the form of the proposed Loans Council scheme of federal aid, Alberta defaulted payment of principal of bonds maturing April 1.

The maturing loan is $3.2 millions of six per cent bonds issued in 1916, and payable only in Canada, against which the province had sinking fund of some $560,000. The province is paying interest.

The default is the first by any Canadian province, although Alberta defaulted payment of savings certificates seven months ago.

Offerings of Alberta bonds were immediately made at reduced prices, and there being no buyers, quotations sank without much actual trading being effected. The market for highest grades of government bonds felt the default and dropped off fractionally.

The Dominion government was willing to aid Alberta in meeting the maturity, provided the provincial government subscribed to the loan council plan of financing.

William Aberhart's Social Credit government decline to accept the Loans Council plan because it involves some surrender of financial autonomy

Reject Suggestion

The Loan Council plan proposed by the federal government would be for a Dominion loan and later a federal guarantee of the province's bonds. This would be secured by pledge of the subsidy from the federal government and by control over future borrowings.

Alberta declined to accept the scheme because of the element of control over future financing. Hon. Charles Cockroft, the provincial treasurer, said the Alberta government felt it had gone the limit in proposing provision of $560,000 from sinking fund toward meeting the maturity and setting aside subsidies and indemnities as security to the Dominion. He said the province, by increasing taxation, was hoping to avoid calls on the Dominion for relief loans.

Loans Now Illegal

There is no legal provision now for the Dominion to lend indiscriminately to provinces except for relief purposes. The former "blank cheque" authority under which the Dominion lent to provinces to enable them to pay principal of maturing bonds expired March 31. This means that any province requiring funds from Ottawa to meet maturities will now have to get same under the loan council legislation.

British Columbia, like Alberta, has been opposed to surrender of any portion of financial autonomy. The coast province has a loan of $3.5 millions maturing May 15, and this is payable in New York as well as Canada.

The Alberta default serves notice on other provinces that they must either harbor under the loan council plan or paddle their own canoes in the stormy financial seas.

Ontario and Investment Views

There is no truth in the recent report that Ontario is blocking the Dunning loan council plan, The Financial Post understands. The Ontario government has no intention of resorting to federal aid or guarantee because it feels fully capable of doing its own financing, but it approves the principles of the loan council scheme.

In financial and investment circles, there are two schools of thought on the Alberta default. The first thinks it is badly damaging to Canadian credit in general and that by weakening confidence it may interfere with plans for forthcoming corporation refinancing.

The second contends that the Loans Council scheme is the only salvation for insolvent provinces and that if the Dominion weakens in its stand the provinces would continue to expect federal loans which would continue to undermine national credit.

What Comes Next?

The next item on the Alberta financial programme is independent refunding legislation which has already passed first reading in the legislature. The bill is said to contemplate compulsion of bondholders into refunding their holdings at a rate not lower than 2½ per cent.

One of Alberta's problems is now likely to be how to provide funds for any public works. Unless interest as well as principal of Alberta bonds is defaulted, recent budget experience fails to show where the money will come from to carry on capital expenditures. Latest available figures follow:

Alberta Budget Experience
Six Months Ended Sept. 30

	1935 $ 000's	1934 $ 000's
Revenue:		
Taxation	3,298	2,895
Current	5,123	4,962
Total	8,421	7,857
Current Expenditure:		
Debt charges	3,441	3,359
Other expend's	5,747	5,243
Total	9,188	8,602
Current deficit	767	745
Capital Expenditure:		
Unemp't relief	972	852
Other cap. exps.	3,626	2,529
Total	4,598	3,381
Excess all expend's	5,365	4,126

New and higher taxation may allow elimination of the current deficit. Loans may be obtained from Ottawa for relief purposes. Provision for capital expenditures, however, will be a puzzle, because the province has cut itself off from possible sources of loans. Even if interest were defaulted, or reduced by compulsion, some reduction from the above rate of capital expenditures would be necessary. Without borrowing, Alberta will have to live off its own revenues.

Dominion Policy

From Our Own Correspondent

OTTAWA.—Default of the Alberta government is the first fruit of the Dominion government policy outlined in The Financial Post last week.

Having survived this initial and severest test, the policy may now be accepted as final and it follows that British Columbia must either change its attitude to the Dominion Loans Council legislation or follow Alberta into default on May 15, when the coast province faces a maturity of $3,500,000. Hitherto the Pattullo government has opposed the Dunning Loans Council scheme

When two of the provinces intimated a strong dislike of the proposed Loans Council plan, despite the fact that their treasurers endorsed it at Ottawa last January, the government decided not to proceed with the Loans Council constitutional amendment unless requested to do so by one or more of the provinces. This policy had point because the two dissenting provinces were the first to meet debt maturities. Meantime it was decided not to lend money to the provinces (in the absence of support for the Loans Council) for any purpose other than unemployment relief.

This policy has been applied to Alberta with the result that Premier Aberhart has chosen to default. Its next application will be to British Columbia.

Hope of Government

It is now hoped that the Loans Council plan will be of future service in salvaging provinces whose credit has suffered by reason of default. The door at Ottawa is still wide open if they care to co-operate. True, the Relief Act under which the money could have been given at once, expires March 31, and failing enactment of the Loans Council legislation there will be no statute under which a guarantee can be given. This would delay action, if a province assented to the plan after parliament closes, until 1937, but this is not regarded as a serious disability.

Underlying this conflict in policy between Ottawa and Edmonton is the important fact that provincial and Dominion credit, tied together securely for the past five years, have now been separated. Ottawa will watch closely for effects on the national credit as reflected in market prices.

Alberta Debt Expanding, Unemployment Relief High

Steady growth of Alberta's debt, any way it is measured, is shown by comparison of figures drawn from the public accounts. These are presented below to give perspective to the province's financial difficulties which have been so much in the public eye.

A debt of $160 millions has been mentioned frequently in connection with the proposal of arbitrary "refunding" of Alberta's debt. This is a gross figure and compares with net total debt of $148.5 millions.

Unemployment relief expenditures have grown steadily. Although classed in accounts as "capital" expenditures, relief costs may be reckoned as part of the current deficit. Otherwise, the current account deficit has been cut by reduction of current administrative expenditures.

Total interest charges appear to average a moderate rate on the total net debt, not much over 4 per cent. Comparative revenue, expenditure and debt figures follow:

ALBERTA REVENUES AND EXPENDITURES, YEARS ENDED MARCH 31, 1931-1935

	1935 $	1934 $	1933 $	1932 $	1931 $
Current Revenue:					
Federal grants	2,825,560	2,679,050	2,702,317	2,261,717	2,970,480
Taxation	4,956,957	4,698,576	5,073,917	3,986,322	4,889,715
Motor licenses	1,618,315	1,667,717	1,552,613	1,474,353	1,693,757
Liquor profits	1,527,134	1,270,395	1,427,000	1,441,361	1,893,142
Other revenue	4,769,804	4,862,869	4,670,418	4,328,678	4,263,868
Totals	15,697,770	15,178,607	15,426,265	13,492,430	15,710,962
Current Expenditure:					
Debt charges	6,548,846	6,412,837	6,339,322	5,770,250	5,734,920
Other expend.	10,886,975	10,643,802	11,194,464	12,875,231	12,282,634
Totals	17,435,821	17,056,639	17,533,786	18,645,481	18,017,554
Current deficits	1,738,051	1,878,032	2,107,521	5,153,051	2,306,592
'Phones deficits	*343,709	*342,187	*277,007	615,281	144,170
Capital Expenditure:					
Unemployment relief	3,429,921	2,196,504	2,092,934	2,795,963	1,536,768
Highways, etc.	1,041,201	238,600	943,937	2,243,380	3,716,234
Public bldgs, etc.	107,873	75,546	88,551	747,228	2,264,184
Other	3,743,792	3,881,086	4,118,574	†10,213,786	2,685,462
Totals	8,322,787	6,391,736	7,243,996	†16,000,357	10,202,648
Excess all expend's.	10,404,547	8,611,955	9,628,524	†21,768,689	12,653,410

*Without providing depreciation and renewal reserves.
†Includes $5,538,270 for wheat pool guarantee.

ALBERTA GROSS AND NET FUNDED AND UNFUNDED DEBT

	1935 $	1934 $	1933 $	1932 $	1931 $
Gross funded debt	129,744,260	129,055,260	133,837,260	128,970,593	106,866,573
Treasury bills	16,303,750	11,545,726	6,723,052	7,750,318	9,935,000
Savings certif's.	10,874,132	9,230,873	9,237,270	9,169,995	10,976,070
Current liabilities	4,801,332	4,239,620	3,693,918	2,194,194	1,769,885
Totals	161,723,474	154,071,479	153,491,500	148,085,100	129,547,528
Less: Sinking fund	9,925,223	8,457,921	7,399,533	6,210,409	5,292,871
Spec. inv't. fund	3,294,279	2,963,795	3,893,435	5,192,745	6,995,098
Totals	13,219,502	11,421,716	11,292,968	11,403,154	12,287,969
Net total debt	148,503,972	142,649,763	142,198,532	136,681,946	117,259,559

Get Cheques Marked, Forget to Cash Them

From Our Own Correspondent

OTTAWA:—Of the millions of lost dollars in Canada, including unclaimed deposits in the banks, unclaimed dividends and bond interest in every large corporation, there is one item which has grown steadily with the years.

Total More Than $400,000

It comprises the certified cheques, drafts, notes and bills of exchange which have never been cashed. From the beginning of our banking system, this lost money account has steadily increased. The rate of increase has been slow but as at December 31, last, the total was $417,577.52. It was divided among the banks as follows:

	$
La Caisse D'Economie de Notre Dame de Quebec	579.44
La Banque Provincial	3,345.17
Montreal City and District	991.30
Imperial	29,002.11
Banque Canadienne Nationale	16,859.06
Bank of Nova Scotia	9,172.45
Bank of Montreal	111,054.05
Bank of Toronto	15,935.91
Dominion Bank	14,598.38
Bank of Commerce	93,221.94
Royal Bank	120,717.71

Apart from a brief campaign instituted by The Financial Post in 1933, and steps taken by the banks themselves, no effort has ever been made to restore this lost money either to those who own it or to those who paid it. The difficulties in the way of doing so are substantial but the desirability of placing the money in the hands of the payer or payee, preferably the latter, is obvious.

Unfortunately the information in the bank returns makes it difficult to trace the people for whom the money was intended. Very often the only name recorded is that of the individual or company making the payment.

As for the persons or companies to whom these cheques, drafts, etc., are payable, they can collect upon presentation of the document or by identifying themselves in a manner satisfactory to the banks. But clues to their identity are limited, and recovery of the money by its original owners offers the best solution.

The persons and companies who issued these cheques, drafts, etc., stand in an entirely different position, so far as the money is concerned, to those with forgotten money in the banks. They actually paid the

(Continued on page 2, col. 4)

Associated Breweries Stock on Regular Basis

From Our Own Correspondent

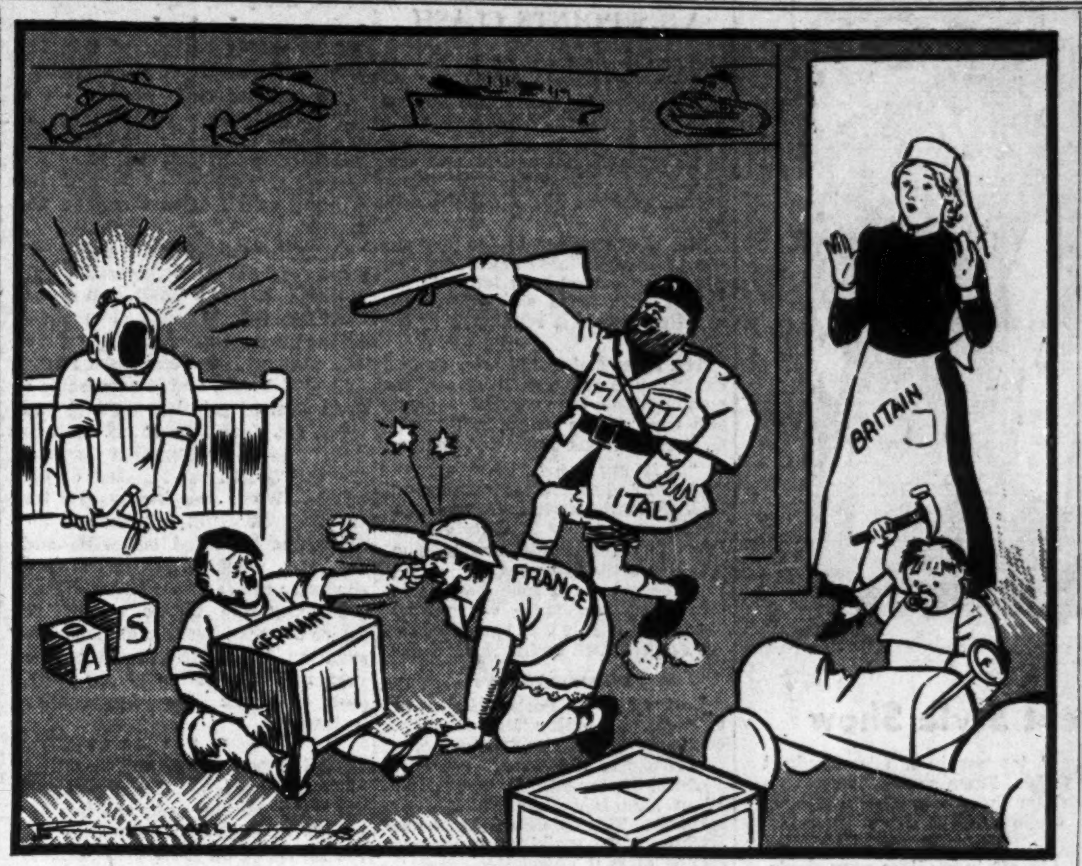
MONTREAL. — Associated Breweries of Canada have restored the common stock to a regular dividend basis, with the declaration of a quarterly payment of 15 cents a share.

Last year the company made three interim payments totalling 75 cents a share; in 1934, two payments amounting to 50 cents in all, while in 1933 only one 25-cent payment was made.

Holt, Renfrew and Co. Defer Purchase Payment

From Our Own Correspondent

MONTREAL. — Shareholders of Holt, Renfrew and Co. were advised at the annual meeting that the property purchase payment of $100,000 which falls due April 30, 1936, has been extended one year.



—Drawn for The Financial Post by R. Kaell.

CHILDREN AT PLAY

C. P. R. Liquidates Dominion Guarantee

$38 Million Bond Issue Made in Three Series

From Our Own Correspondent

MONTREAL.—Liquidation of Dominion Government guarantee of short-term obligations of the Canadian Pacific Railway Co. held by the chartered banks has been completed through the sale of $38 millions of additional bonds.

With the London market closed to Canadian financing and the New York market unfavorable, the C.P.R. in May, 1933, obtained a loan of $60 millions from the Canadian chartered banks under a Dominion Government guarantee in order to meet maturing obligations of $57 millions. At that time there was considerable criticism of the Bennett Government's action in guaranteeing loans to private interests.

In June, 1934, the loan was reduced by $12 millions through the sale of $12 millions of 15-year four per cent convertible bonds. Early in February of this year, an additional $15 millions of 3 and 3½ per cent bonds were sold and this week the company again entered the market with issues for $38 millions. This financing wipes out the bank loans guaranteed by the Dominion and restores the C.P.R. to full financial independence.

The new bonds are divided into three groups: $15 millions 3 per cent convertible 9½ year collateral trust bonds are being offered by a syndicate headed by Wood, Gundy & Co., Dominion Securities Corp., and A. E. Ames & Co., at an offering price of 94.44 and interest, to yield 3.70 per cent. The bonds, which are payable as to interest and principal in Canadian funds only and callable on 30 days notice at 102, are convertible from April 1, 1937, to the same date in 1944, into common stock in the ratio of four shares of $25 par value to each $100 principal amount of bonds.

Short Term Offerings

In addition there is a private offering of $8 millions three-year 2½ per cent collateral trust bonds at par and accrued interest.

A further lot of $15 millions of 2½ per cent five-year collateral trust bonds are offered privately at 96.56, to yield 3.25.

Both the three and five-year collateral bonds are not convertible, and, it is understood, a large proportion have already been acquired by banks and other institutions.

Security of the new bonds will be consolidated debenture stock, which is the senior security of the company and will be pledged with the trustee for the new bonds to the extent of $120 principal amount to each $100 principal amount of the new bonds issued.

Pressure Squeezes Campbell, Hebert

From Our Own Correspondent

OTTAWA.—Changes in the personnel of the Tariff Board are under consideration by the Government and may be brought about either by amendment of the Tariff Commission or by consent of the parties affected before the end of the session.

Chairman George Sedgewick will be retained but the other commissioners, Milton Campbell and Charles Hébert, are likely to be retired.

The reason for these impending changes appears to be pressure by the supporters of the Government. The Government, it is understood, has resisted this pressure up to a point, urging strongly the possibility that the Senate would decline to concur in legislation of this kind and also, that voluntary resignations are not to be expected.

The upshot appears to be a compromise. The Government is insisting upon retaining Mr. Sedgewick but is yielding rapidly as regards the other two members.

Used Car Sales Gain Over 1935

Sales of new passenger cars in February were 9 per cent less than in January and 28 per cent below corresponding figures of 1935, according to official figures published this week. Truck sales though less than a year ago were substantially higher than in January. An important trend was the relatively higher sales of used cars as indicated by figures of car financing for the month.

Summary of the week's figures follow. For further details see page 7.

	Feb.	—Change— From prev. period %	From prev. year %
Monthly:			
Motor Car Sales:			
Passenger, No.	4,299	— 9	—28
Trucks & buses, No.	1,113	+36	—11
Auto. exports, No.	5,143	+ 1	—34
C. P. R. net earn.	$867,397	+ 8	+ 2
C. N. R. net earn.	†288,460	..	..
Coal imports, tons	530,842	+17	+ 7
Auto. Financing:			
Used cars	$906,921	— 7	+ 7
New cars	1,006,756	— 2	—11
Crude petrol. imp., gallons	39,654,916	—35	—26
Cons. contracts (Mar.)	10,289,100	+25	+21
Retail sales index	69.1	— 1	—0.1
Weekly:			
Car loadings, No.	44,069	+ 5	+0.6
Cattle sales, No.	15,583	+ 9	+38
Hog sales, No.	17,443	— 2	+ 4

* 000's omitted. † Deficit.

Gov't Officials For Penny Bank

It is understood the Ontario government plans to appoint two directors to the board of the Penny Bank. Although not officially nominated, the appointees will probably be Duncan McArthur, deputy minister of education and C. S. Walters, deputy provincial treasurer.

Reason for the government's action dates back some five years, when a guarantee of $150,000 was given the bank by the province. Although this fund has not been touched, and officials of the bank state it is not likely it will be, provincial authorities feel they are entitled to some say in the administration of the bank.

Those in charge of the bank state government nominees would be welcomed on the board. The guarantee was necessary, they claim, because of the substantial decline a few years ago in the book value of their investments, which are legally restricted to Canadian government and municipal securities. It is pointed out that the bank differs from ordinary financial institutions in that it has no large reserve accumulated from profits. The aim of the bank is to promote thrift among Canadian school children, not to make profits, they state.

(A thought provoking criticism of the bank that it is promoting "purposeless saving" among school children appears on page 19).

Fraser Cos.' Plan Ready On Deferred Interest Charges

From Our Own Correspondent

MONTREAL.—Fraser Co.'s plan to care for interest and sinking fund payments on the six per cent mortgage bonds will be mailed to the bondholders this week-end. Under the plan of reorganization carried out in June, 1932, if the company failed to pay interest in cash, up to the end of 1935, the charge could be deferred until a later date or the bondholders could take stock in lieu of cash, but on July 1, 1936, the obligation to pay in cash comes in force. Provision also was made that sinking fund payments of 2½ per cent annually of the principal amount becomes payable on December 2, 1936.

To date the company has not been able to pay interest in cash. Some of the bondholders have accepted stock, while others have deferred payments as arranged in the plan.

While there has been an improvement in the financial position of the company, working capital is still at a point where the company would have difficulty in meeting the deferred and current interest charges

No official particulars are available as to what form the proposal is likely to take. One report is that the company will issue a block of stock at $12 a share. Bondholders will have the right to accept this stock in place of the deferred interest charges, while such amount as is not taken up will be underwritten by investment dealers associated with the company in previous financing, thus providing the company with additional working capital.

Highlights

Insurance Analysis

Underwriting experience of Canada's fire and casualty companies reviewed in special section, with special index covering fire and automobile insurers on Page 17. Section Pages 14 to 17.

Bread Bait

Retail "loss leaders" condemned by commission probing Winnipeg bread war. Page 24

Penny Banks

Leading Canadian child psychologist raps "purposeless saving" among school children. Page 19

Lake of the Woods

After 40 years, Ontario's camp of mining disappointments reveals its possibilities in new gold producers. Page 22

The Next Five Years

Ross H. McMaster and William Sherwood Fox discuss need of balanced budgets and realization of facts in appraisal of Canada's near term outlook. Page 12

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Godfrey Flays Bidgood Head On Stock Deal

Finds Action "Inexcusable" in Granting Options

SHARES HELD

Finding the action of the president, A. L. Herbert, in issuing to himself 100,000 shares of Bidgood Kirkland stock at five cents per share "inexcusable," John M. Godfrey, in a report just issued, reveals the findings of the commission in a situation which has, for weeks, been the subject of much street rumor.

In the report, Mr. Godfrey also criticizes the action of the secretary treasurer, Norman W. Byrne, but finds Mr. Byrne's actions were the result of a "misunderstanding," and that an endeavour was made to correct the misunderstanding as soon as it was appreciated.

The report of the commissioner reviews in some detail the background of Bidgood Kirkland Gold Mines, the Kirkland Lake property which, after being on the verge of bankruptcy, was successful in encountering new ore, and saw the market price of its stock rise sharply in a few months.

Phone Conversation

Last December, the report states, Mr. Byrne telephoned the commissioner and asked his opinion as to whether he thought shareholders would approve an option on 10,000 shares of the company's treasury stock at five cents per share, being given to him and to Mr. Herbert, as recognition of services they had rendered in preventing the company from going into bankruptcy.

"Both Mr. Byrne and the commissioner were well aware that the commissioner could not authorize an option of this kind," the report states. "They both knew and understood that the commissioner was asked only to give his opinion as to what he thought the shareholders might regard as reasonable. In view of the services rendered by Messrs. Byrne and Herbert, the commissioner agreed that such recognition might not be considered unreasonable."

Early in March, 1936, Dr. R. J. Neelands, a director of Bidgood, called on the commissioner, and stated he had heard that options for a large number of shares had been given by the directors to Byrne and Herbert.

Byrne was summoned to Mr. Godfrey's office, and the commissioner learned, for the first time, that on Dec. 21, with his alleged approval, directors had voted options on 100,000 shares to Byrne and Herbert at five cents per share.

"The commissioner never, at any time, expressed an opinion to the directors that the shareholders would approve any such extravagant amount as 100,000 shares," states the report.

Byrne then agreed that he and the directors had apparently acted under a misapprehension, and stated he would cancel his option.

Both Byrne and Oscar Knutson, engineer and director of the company told the commissioner the options were conditional on their approval by shareholders. Dr. Neelands, the report states, although a director, arrived late at the meeting and was not informed of the options.

Neelands Not Told

"Mr. Herbert, whose duty it was to inform Dr. Neelands on his arrival as to what had been done, stated frankly that Dr. Neelands was not told because he knew that he would go at once to the commission and protest against the giving of these very substantial options." the report says.

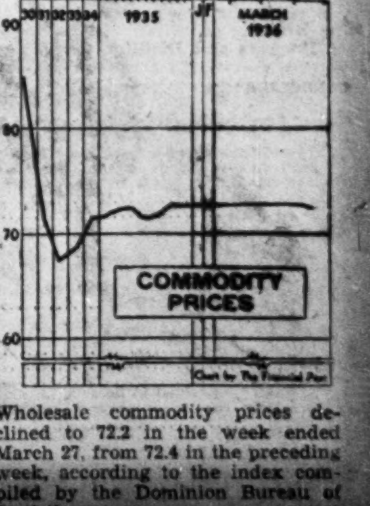
The options were given at a time when the stock was selling for from 20 to 25 cents per share.

"With regard to Mr. Herbert," the report continues, "the commission finds his position inexcusable. The duties of directors are very well defined. They are trustees for the company. They cannot use their position to give themselves any special advantage .... It was clearly Mr. Herbert's duty, as president, to have informed Dr. Neelands when he arrived at the meeting of these options which were giving him personally such a substantial benefit, and his subsequent action in instructing Mr. Byrne to withhold the written copy of the minutes from a fellow director is subject to severe condemnation.

"The commission has to find that these directors did not act in the best

(Continued on page 2 col. 6)

Decline



Wholesale commodity prices declined to 72.2 in the week ended March 27, from 72.4 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

SPRING FASHIONS for Men

As Seen In Our Recent Style Show

Left — The "Burberry" topcoat in a Glenurquhart check of rich saxony finish. Fawn shade. The raglan style is a popular model for those who like an English atmosphere in their clothes. Sizes from 36 to 46. Priced at $50.00.

Right — Wrap-around topcoat in medium grey shade, tailored from an all wool cloth velour. This smart coat is fitted with a full flair back, generously broad lapels, and an all round belt that ties in front. Sizes from 36 to 42. Priced at $20.00.

You will find your choice, in your size, in the splendid selection of topcoats for Spring now on display at the T. Eaton Co. Men's Clothing Department.

These Coats may be purchased on Eaton's Budget Plan if desired.

MEN'S CLOTHING DEPARTMENT—SECOND FLOOR—JAMES STREET

THE T. EATON CO LIMITED

TORONTO CANADA

Health Bill Said Sound By Actuary

Approval of Sydney H. Pipe Given B. C. Insurance Scheme

VIEWPOINTS CLASH

That the draft bill on health insurance introduced recently into the British Columbia legislature is actuarially sound is the opinion that has been given within the past month to the government of that province by Sidney H. Pipe, independent actuary of Toronto, The Financial Post learns.

Mr. Pipe's report to the government was made late in February and was accompanied by a letter to the Prime Minister in which Mr. Pipe certifies as to the soundness of the plan.

The letter states that after careful examination of the draft bill and the computations of expected revenue and expenditure prepared by Prof. G. F. Drummond and Allon Peebles:

"It is my conclusion that the rates of assessment set forth in the bill are sufficient to cover the costs of the mandatory benefits and to provide a reasonable surplus. The plan is actuarially sound.

"The act gives such powers to the health insurance commission as should enable it to keep the cost of benefits well within its income."

Divergent Views

Last week The Post published the opinion of leading life insurance company officials and actuaries on this measure, as contained in a letter sent to Premier Pattullo by the Canadian Life Insurance Officers Association. This opinion, based on the findings of the social insurance committee of that association, contains the view that the scheme ". . . . cannot be certified to be actuarially sound," and urges the government to seek additional actuarial advice before proceeding with introduction of the measure.

Mr. Pipe's Objections

Commenting on this joint statement of life company officials, Mr. Pipe dissents on the following grounds:

1. The required data on which to base a definite conclusion were not available to the life company officials.

2. The life association opinion states that (a) "the financial outcome of the plan is unpredictable" and also (b) "the scheme appears to be largely undefined and alterable at the will of the commission, and consequently cannot be certified as actuarially sound."

Mr. Pipe points out that Part II of the B. C. health insurance bill states definitely the contributions to be made by employers and employees and that Part III states definitely the benefits the insured persons will receive. Hence, argues Mr. Pipe, the statement that they are largely undefined is untrue.

Cites Fraternal Experience

Mr. Pipe also contends that "the argument that it is not possible to certify that the scheme is actuarially sound must be known to one of the signatories to the adverse opinion as untrue and should also be known to the others." He cites the case of fraternal societies which are required by law to retain the right to alter their insurance contracts, and claims this is a sound measure.

"These societies cannot secure their annual licenses to do business without an actuarial certificate to the effect that they are actuarially sound," says Mr. Pipe. "And financial journals base their opinions as to whether these societies are safe to insure with, on these certificates.

Reaffirms Opinion

"I sign such fraternal certificates for at least six societies. Therefore why does a similar provision in a social insurance bill prohibit an actuarial opinion upon its soundness? Similar powers are contained in workmen's compensation acts regulating the operation of provincial funds.

"I am of the opinion that the contributions called for under the bill are adequate for the benefits provided for therein. On studying the bill I am agreeably surprised at the caution with which the British Columbia government proposes to launch this enterprise. Its success will depend, in my opinion, on its management."

Information Tabled

A return tabled during March in the provincial legislature states that Mr. Pipe was engaged by the government to examine the draft of the bill and to give an opinion on its actuarial soundness and of the calculations on which it was based. His work was completed and his written opinion delivered on Feb. 25. The fee for his services was stated to be $1,282.40.

H. H. Wolfenden, another independent actuary of Toronto, was also stated to have been engaged as a consultant actuary at the "regular professional fee of $12 per hour." His fee for his services is given as $1,000. As far as can be ascertained Mr. Wolfenden's advice to the government has not as yet been published.

Compilation of statistics according to the same return was in the hands of Prof. G. F. Drummond, professor of statistics at U. of B. C. who was engaged from August, 1935 to February, 1936. His fee was stated to be $845. Prof. N. B. McLean, head of the department of mathematics at McGill University, was stated to be engaged in similar work. His fee was $250.

The Nation's Business

(Continued from page 1)

tensively advertised in American magazines. Increased circulation for these magazines will increase sales of these whisky brands in Canada and also the per capita consumption of wines and liquors. It is not likely that the whisky-magazine swap was deliberately planned by the government but it has been a chief result of the treaty anyway.

* * *

IT IS widely recognized that increased magazine sales of United States periodicals in Canada are a matter for serious concern, not so much because of the effect on the Canadian publishing business but because of the effect on the national life and on all other Canadian industries.

To import 200,000 copies weekly of a magazine having a wholesale value of 2 or 3 cents is a small item in the trade returns. Multiply it to allow for the hundreds of different periodicals that overflow our news stands and mail boxes, and it represents a great deal of printing, editing, and work, etc, done outside rather than inside Canada by Canadian workers. Yet this is still the smallest of the effects. When one has regard for the Americanizing influence of the feature articles and editorials and for the commercial propaganda character of the advertising columns presenting the claims of United States merchandise it is obvious that such an importation represents a very real penetration of our social and economic life by foreign influences.

* * *

THE argument for the Canadian magazines is not the influence of the treaty on the profit and loss accounts of Canadian publishers but the influence on the entire national life of Canada, including Canadian industrial establishments, of the deluge of American advertising literature that has now descended on this country.

Examination of the material presented to the public by the Canadian periodicals indicates that they are not asking for a restoration of the Bennett tax on American magazines, although there seems to be an impression in many quarters that this is the case. Canadian publishers are apparently willing to meet American publishers on an even basis. What they point out is that under present tariff and taxation schedules they are unable to do so. So they ask for lower tariffs and taxes on their paper, machinery and other raw materials; in short, for the kind of treatment they received from Mr. King's previous government.

Swapping Canadian whisky for American periodical literature, as outlined by the Stratford editor, will not strike the average Canadian citizen as a very satisfactory bargain. There is growing confidence that the government will, in the forthcoming budget, remove the handicaps under which Canadian publishers operate and give them an equal chance to share in the periodical reading of Canadian citizens.

* * *

Just Another Political Handout

THREE days debate in the House of Commons last week failed to disclose adequate justification for the $6,509,000 settlement which the government proposes to make with the wheat pools. So far as the record runs, this is a handout, and indefensible wastage of taxpayers' money. The settlement is made on account of wheat pooled in 1930, and carried along under government guarantee until the fall of 1935. In 1930, the pools made initial payments of 70, 60, 55 and 50 cents per bushel and the government in the final settlement proposes to establish a minimum of 60 cents per bushel, basis No. 1 Northern Fort William. The 60-cent figure is arrived at purely in an arbitrary way.

It is true that the pre-election settlement of the Bennett government (never carried through) called for a payment of $8,262,000 and that the total sum has now been reduced. The reduction is due to the elimination or reduction of items to cover the cost of pool operations in 1930 and their dealing in coarse grains: the wheat settlement is unchanged.

* * *

THE defense made by Hon. J. G. Gardiner turned upon the stabilization policy pursued by John I. McFarland. He argued that had the 76 million bushels of wheat, carried forward from 1930-31, been sold in the bull market of July, 1933, for example, the pools would have netted at least 60 cents per bushel. The logic of this reasoning obviously is unsound. There is nothing to show that sale of the wheat at any time would have equalled in benefit to the pools, the rich rewards they reaped by reason of storing the grain continuously in their elevators throughout the period. These rewards are almost a matter of simple arithmetic—10 cents per bushel per year less operating costs. The cost of the wheat when finally sold exceeded $1 per bushel and the taxpayers, through the government guarantee, had to make good the loss.

All the settlement achieves is to enable pools to escape their legal liability to equalize pool payments in 1930. Equalization, according to grain experts, would have called for about 56 cents per bushel. The government, no doubt believing it can make itself popular at the public expense, now proposes to give 60 cents.

* * *

POOL contracts call for equalization. While the wheat was unsold, the 1930 pool members could not sue in the courts. The moment the Wheat Board took over the grain, however, this disability vanished and therefore the settlement coincides with the change (from the pools' viewpoint) from a deferred to an immediate liability. In the absence of a government handout, the pools would have been compelled to make the equalization, could have done so out of profits accumulated in the past five years largely out of the rich earnings of their subsidiary elevator companies, and by reason of their being the beneficiaries of the commissions, etc., accruing from the McFarland operations. The Saskatchewan and Alberta pools, as at July 31, 1935, showed more than $11 millions of liquid assets over and above current liabilities. The Manitoba pool is insolvent so the settlement in this case would have been delayed.

Shorn of the dress in which Mr. Gardiner clothed it, the settlement is a direct subsidy to the pools: it will enable them to escape obligations which, otherwise, they would have had to pay.

* * *

AS TO storage profits, both Mr. Dunning and Mr. Stevens have discussed the past policy. Mr. Stevens pointed out the extraordinary fact that government guaranteed wheat was stored in pool elevators (to a lesser extent in private elevators) while the government-owned public elevators, operated at the taxpayers' expense, went short. The public terminals at Saskatoon, Moose Jaw and Lethbridge were starved in order to fatten the pools. Mr. Dunning put it in a nutshell when he said: "The big interests that got the money in connection with the storage policy were the pools themselves."

The settlement is an injustice to the public interest and an unfortunate introduction to a budget designed to reduce deficits.

GET CHEQUES MARKED, FORGET TO CASH THEM

(Continued from page 1)

money; the banks have assumed, forever, their liability. But the Bank Act offers means whereby the original possessors may regain their money upon providing adequate guarantees to the banks that the liability always will be met. Bankers will usually permit return of the funds if they are satisfied as to the integrity of the client. In any event a bond of indemnity is generally acceptable.

Lists Will be Published

The Financial Post proposes to see what may be done to clear up this column in the lost money accounts. Lists will be published, from time to time, giving all the detail available. The first of these follows:

Charles M. Petrie of Burlington, Ont., took out a certified cheque on June 18, 1924, for $15. It has never been cashed.

J. B. Royle Supply Co., of Calgary, issued a certified cheque on Dec. 26, 1913 for $53. It is still uncashed.

Edward W. Downard, of Calgary, issued a certified cheque on April 27, 1929, for $42.03.

K. Malkin Ltd., Wilder Bldg., Montreal, issued a certified cheque on April 4, 1928, for $35.46.

Fashion Design Ltd., Phillips Place Bldg., Montreal, issued a certified cheque in 1929 for $12.85.

The Union Supply Co. of 342½ Elgin St., Ottawa, issued a certified cheque in 1931 for $10.

Paynter and Abbott, Rideau St., Ottawa, issued a certified cheque in 1900 for $10.

Kessock and Kingsbury, Tyvan, Sask., issued a certified cheque for $21 at the Regina branch in 1907.

Saskatchewan Transfer Co., of Regina, issued a certified cheque for $23.50 in 1916.

Excelsior Baking Co., of Regina, issued a certified cheque for $13.55 in 1917.

Sudbury Waterproof Seal and Leather Manufacturing Co., of St. John's, Newfoundland, issued a certified cheque at St. John's for $195.83 in 1929.

Dominion Phonograph Co., 93 Niagara St., Toronto, issued a certified cheque in 1923 for $21.35.

H. M. Goodman, trustee for **Yorkshire Worsteds**, Imperial Bank Bldg., Toronto, issued a certified cheque in 1924 for $17.25.

Kolts and Taylor Co., of Dominion Trust Bldg., Vancouver, issued a certified cheque for $25 in 1911.

Crane River Lumber Co., of Winnipeg, issued a certified cheque for $29.70 in 1912.

Lake Manitoba Tie and Lumber Co., 92 Selkirk Ave., Winnipeg, issued a certified cheque for $10 in 1915.

Celesta Lavallee, Glasgow Station, Ontario, bought a money order on August 9, 1929, number 565,515 for $2 in favor of the Ontario Department of Highways. It is uncashed and the money is being held at the branch at Arnprior.

Grant Baking Co., of Cochrane, Ont., bought a money order, number 6,316, for $30 on August 29, 1912. It is payable to the Dominion Tobacco Co. and the money is now held at the Cochrane branch.

Pete Buying Moves Upward

Talk of Crude Price Increase Affects Market

International Petroleum Co. stock is drawing a large following again in the stock market. Shares fell from a high of 39¼ to 33¾, but under renewed buying have crept up around 36¼ again.

Many rumors are flying around the Street of possible mergers of International Pete with Creole Pete. Imperial Oil is mentioned as possibly figuring in a large merger of the kind as well. All enquiries in New York and Toronto of informed sources, however, fail to bring verification.

It is believed that from time to time some of these companies have had stocks of Creole Pete or of other Standard subsidiaries in their investment portfolio. It is stated that this has been for investment purposes and not with a merger objective in view.

A more solid basis for the interest being revived in International Pete is that there is growing talk again of crude petroleum prices going up once more. The one effective bar to that action so far has been production in the Rodessa field which crosses the corners of three states and is, therefore, difficult to put under proration. The Governor of Louisiana is, however, working hard to get a proration agreement for the field. Meanwhile output has been increasing from the field.

California troubles seem to be smoothing down and prices have risen there. All this will affect International Pete whose prices are based on the world price and especially on the mid-Continent prices. Output so far this year has not increased over 1935, but a price increase would mean a large improvement in earnings.

GODFREY FLAYS BIDGOOD HEAD ON STOCK DEAL

(Continued from page 1)

interests of the company when they attempted to deplete the treasury by these substantial amounts. These treasury shares will undoubtedly be needed to bring the mine into profitable and dividend paying production."

The day after Mr. Herbert had been questioned, the Commission "was astounded to learn" that he had proceeded to the transfer company with a certified copy of the minutes, and had issued to himself 100,000 shares of the company's stock.

A stop-order was issued by the Commission, and the shares returned to the transfer agents until the claim of Mr. Herbert had been approved by the shareholders, or by the court.

"It is the opinion of the Commission that as these shares were illegally issued to Mr. Herbert," the Commission rules, "he is not entitled to have them voted upon at a shareholders meeting."

Pelissier's Shareholders Ratify Sale of Company

From Our Own Correspondent

WINNIPEG. — Shareholders of Pelissier's Ltd., brewery firm, have ratified sale of the undertaking for $200,000. The deal is expected to realize 50 to 60 cents on the dollar for preferred shares but nothing for the common.

Approving votes were cast at the adjourned special meeting on March 31. The gathering lasted until after midnight. Although there was little opposition to the deal, chief cause for the length of the meeting was a demand for a ballot on each vote.

The sale to United Securities Ltd., western brewing interests, for $200,000 was negotiated by directors who are elected entirely by holders of the preferred shares.

Brewers and Distillers of Vancouver Limited and Wholly Owned Subsidiary Companies

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31st, 1935

ASSETS

CURRENT ASSETS:			
Inventories of Stocks on hand and on consignment valued on the basis of cost or market, whichever is the lower, as determined and certified to by responsible Officials of the Companies:			
Bulk and Bottled Beer, Whiskies and Spirits (including approximately 45,000 U. S. Proof Gallons of Whisky held against future sales contracts)		$2,456,322.43	
Imported Spirits and Alcoolats, etc., for blending; on hand and in transit		59,770.03	
Materials and Supplies on hand and in transit		117,894.20	
Barrels and Drums		77,803.29	
		2,711,789.95	
Sundry Debtors	$581,212.97		
Less: Reserve for Doubtful Accounts	193,825.56	387,387.41	
Cash at Banks and on Hand		333,778.72	
			$3,432,956.08
AGREEMENTS FOR SALE, ETC.			16,922.81
INVESTMENTS IN AND ADVANCES TO PARTLY OWNED SUBSIDIARY COMPANY—			
Hemrich Brewing Company—			
Investment at Cost		$ 225,457.58	
Advances		5,504.24	
			230,961.82
DEFERRED CHARGES:			
Insurance and Licenses, etc			22,449.56
FIXED ASSETS:			
Land at Cost		$ 416,694.11	
Other Fixed Assets at Cost with the exception of certain properties which are carried at new replacement value of $236,310.17, as determined by the Canadian General Appraisal Company Limited at March 31, 1923, together with subsequent additions at Cost—			
Buildings	$2,085,992.91		
Machinery and Equipment	1,217,965.87		
Office Furniture and Fixtures	13,119.40		
Automobiles and Trucks	50,540.88		
Cooperage	109,380.39		
	3,476,999.45		
Less— Reserve for Depreciation	1,739,724.41		
		1,737,275.04	
Licenses, Goodwill, etc., stated at the excess of the declared value of the consideration for the acquisition of certain fixed assets in 1918 over the net book value thereof at the date of acquisition		595,467.44	
			2,749,436.59
			$6,452,726.86

LIABILITIES

CURRENT LIABILITIES:			
Sundry Creditors		$ 164,331.06	
Deposits on Sales		98,672.65	
Reserve for Income and Other Taxes		80,375.56	
			$ 343,379.27
RESERVE FOR CONTINGENCIES			112,290.14
SHARE CAPITAL AND SURPLUS ACCOUNT:			
Share Capital— Represented by 5,777,378 Shares without nominal or par value, being a total of 6,089,840 shares issued less 312,462 held by Subsidiaries, part of an authorized issue of 7,500,000 shares		$4,514,193.99	
Earned Surplus— Per Statement attached		1,482,663.46	
			5,996,857.45
CONTINGENT LIABILITIES:			
Guarantees	$ 78,139.95		
Sales Tax in Dispute	39,067.39		
	$117,207.34		
			$6,452,726.86

Approved on Behalf of the Board: R. Kerr Houlgate, H. S. Tobin, Directors.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the Books and Accounts of Brewers & Distillers of Vancouver Limited and its wholly owned Subsidiary Companies for the year ended December 31, 1935, and have obtained all the information and explanations which we have required.

In accordance with Section 114 of the Companies Act, 1934, we report that the Company's proportion of the current year's earnings of the partly owned Subsidiary has not been included in the attached accounts.

We report that, in our opinion, the attached Consolidated Balance Sheet as at December 31, 1935, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of Brewers & Distillers of Vancouver Limited and its wholly owned Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Chartered Accountants.

Vancouver, B.C., February 24, 1936.

Brewers and Distillers of Vancouver Limited and wholly owned Subsidiary Companies

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFIT AND LOSS FOR THE YEAR ENDED DECEMBER 31, 1935

Earned Surplus—Balance as at December 31, 1934			$1,772,134.10
Deduct:			
Extraordinary charges and items affecting prior years—			
Settlement of claims advanced by the Treasury Department of the United States of America for Import Duties, etc., and expenses		$ 503,331.57	
Legal Fees		114,498.85	
			617,830.42
			$1,154,303.68
Add:			
Profits for the year ending December 31, 1935 before providing for the undernoted items		$ 688,278.55	
Deduct:			
Executive Salaries and Fees	$ 49,024.99		
Directors' Fees	10,100.00		
Legal Fees	15,015.92		
Depreciation	142,417.86		
Amount transferred to Reserve for Contingencies	93,500.00		
Provision for Dominion and Provincial Income Taxes	49,860.00		
		359,918.77	
			328,359.78
Balance being Earned Surplus as at December 31, 1935			$1,482,663.46

Men too Busy For Walkouts

From Our Own Correspondent

HALIFAX.—Increased employment at the Sydney steel mills and the various coal mines of the Dominion Coal Company were cited in the annual report of the Nova Scotia division of the R. C. M. P., tabled in the Legislature as the probable reason why Nova Scotia was comparatively free from strikes in 1935. Only one serious strike at Springhill, N.S., early in January prevailed during the year.

Royalite Output Is Somewhat Lower

Royalite Oil Co., which paid $1.25 a share in 1934 and $1.50 a share in 1935, is not believed to have improved earnings in 1935 over the $1.18 a share shown in 1934. Price per barrel was down materially and production of naphtha was somewhat curtailed as compared with the previous year. The decline, most marked since the first of the year, though not important, is attributed to failure to bring in new substantial oil producers and the inevitable drop in output of old wells in the Turner Valley. The company, having a substantial surplus, is able to pay dividends higher than earned.

Royalite still maintains its lead far in advance of other producers in the Turner Valley. February production was 45,463 barrels and the next largest yield of 11,362 barrels came from the Mercury-Miracle combination. Royalite affiliates are conducting more extended drilling operations for new production recently than for many years.

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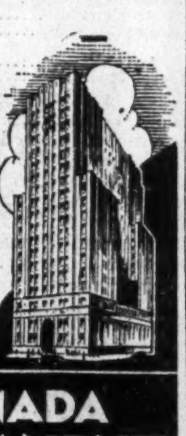

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Simpson's

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Liquor Curb For Canada Given Hoist

U. S. Won't Take Action on Treasury Rulings for Six Months

HITS EXPORTS

The Dominion government has succeeded in getting a six months hoist to two United States treasury rulings which have been affecting adversely the export of Canadian liquors to the United States.

The ruling was that liquor in bottles, even when imported from Canada, could not bear labels with the words "Bottled in bond under Government supervision." Canada contends that this ruling would force Canadian liquor sent to the United States to be bottled in the United States and would result in heavy losses to distillers. As a result of these representations, the order, which was to have become effective February 15, has been delayed in operation for six months.

Trying to "Pin" Guilt

Canada also protested against the ruling that Canadian liquor firms, whose products were sent into the United States in prohibition days contrary to law, should be made to pay fines for the alleged smuggling. It was maintained by the Canadian representative that this would impose heavy and unjustified penalties on the distillers.

There is before Congress also the Doughton bill, which would prohibit the importation into United States of liquor from foreign distilleries, whose products were smuggled into the United States during the prohibition era, until the manufacturers submit themselves to the jurisdiction of United States courts, to defend themselves against actions to collect unpaid duties.

Give and Take Back

The Dominion government representative said these various measures are contrary to stipulations in the reciprocal trade agreement that the United States shall not impose any prohibitions, quotas or other form of quantitative regulation on imports from Canada on a number of commodities in which whisky was listed. The duty on Canadian whisky was reduced from $5 to $2.50 a gallon by the pact, but the effect of ruling is to limit importations and so defeat the object of the pact.

N. S. Power Board Record Gain in '35

Net Income Exceeds Charges on Loans from Province

From Our Own Correspondent

MONTREAL. — Gross revenue of the Nova Scotia Power Commission for the fourteen months ended November 30, 1935, totalled $1,323,846, and after paying operating expenses there was a net income of $1,038,614. Of this sum $839,175 was used for interest on loans; $63,039 for sinking fund installments; $128,268 for contingencies and renewals and the balance distributed among other reserves.

The operating statement shows that the commission delivered 238 million kw.h. during the fourteen-month period, as against 210 million kw.h. for the twelve months ended September 30, 1934.

Transmission lines and circuits total 497.7 miles as against 455.6 at the end of September, 1934.

Railway Places 15,000 Workers

From Our Own Correspondent

MONTREAL. — Colonization, re-employment and development work carried on by the C.N.R. during 1935 resulted in occupational placements of about 15,000 workers, according to the system's annual report.

The railway's Department of Colonization and Agriculture placed 3,223 heads of families, (including 2,863 entire families) and 2,637 single men on land totalling 807,797 acres. In addition 5,734 single men were sent out to assured employment in farming and lumbering operations.

Saskatchewan Deficit Lower

Budget Estimates Revenue Increase of $1.5 Millions

NO NEW TAXES

With estimated revenue shown at $17,062,991 and estimated expenditure at $17,434,068, Saskatchewan is budgetting for a deficit of $371,077 on current account in 1936-37.

This represents a substantial reduction from recent years. While figures for the current year are not yet available, the government hopes that the deficit will be below $1 million, Premier W. J. Patterson states. In the year ended April 30, 1935, deficit was $2.7 millions.

Other than to repeal the wild land tax and to give rural municipalities authority to levy such a tax for their own purpose, no change in the tax structure of the province is proposed.

Gross public debt of Saskatchewan as at Dec. 31, 1935, was $186,550,507, the budget shows. Included in this amount are advances of $8.9 millions from the federal government representing expenditures in the drought area during 1934-35. Funded debt amounts to $128,159,166, an increase of $7.1 millions since April 30, 1935. Treasury bills and bank overdrafts total $48.3 millions.

Against Forced Conversion

In pointing out that largest single item of expenditure is public debt charges, Mr. Patterson takes a definite stand against forced conversion.

In regard to the loan council, Mr. Patterson states this may be a method of relief which would not have such serious consequences. He states, however, the province will not be in a position to pass definite judgment until legislation providing for the establishment of the loan council is brought down by the Dominion government.

Accused of High Rates After 24 p.c. Reduction

H. R. Milner, K.C., president of Canadian Utilities, which controls Northwestern Utilities, appeared before the agricultural committee of the Alberta Legislature recently to answer charges of high rates in the town of Vegreville. The charges had been made by James Fitzallen, secretary of the town of Vegreville, and representative of the Alberta Union of Municipalities.

Mr. Milner stated that the company had earned only 8 per cent before considering depreciation, and provincial and federal income taxes. His company had reduced rates since the organization was effected in 1926 to the extent of 24 per cent on domestic light, 20 per cent on commercial light and 16 per cent on power.

Seaway Talk Heard Again; Ottawa Mum

Capital Silent on Rumor Roosevelt to Offer New Deal

TOLLS MOOTED

From Our Own Correspondent

OTTAWA. — Reports from Washington that President Roosevelt intends to offer Canada a new Seaway deal cannot be confirmed here. The understanding is that Mr. Roosevelt intends to do no more than reintroduce the present treaty at the 1937 session of Congress—if he is still in office.

If the event proves that a new Seaway treaty is being sought, the government will consider the proposition carefully and will probably ask for an opinion from the Canadian section of the Joint International Commission. The commission is now examining the proposed canal from the St. Lawrence River through Lake Champlain to the Albany River and New York City. This project, however, does not affect the Seaway.

Details of the new U. S. proposition, as reported in the press, are being followed with interest. So far these details include further study of the technical side of the development, with particular reference to a 35-foot depth over the lock sills. There are to be negotiations on the financing of the project.

The 1932 treaty failed in Washington largely on the financial sections. It is felt that tolls may be suggested as one way of lightening the burden on governments.

There is, too, a suggestion that the power end be hastened so that New York state be permitted to get its share from the international section at the earliest possible moment.

Geneva Features Forty Hour Week

International Labor Conference Discussions of Interest to Canada

Draft agenda of the International Labor Conference to be held this year at Geneva includes discussion of reduction of hours of work in iron and steel works, in the building and civil engineering industry, in coal mines and in the textile industries and also on public works undertaken or subsidized by government.

The term "reduction" in each case is meant reduction to 40 hours per week. Whereas normally the conference procedure is to have a double discussion, the second reading taking place the year following the first, the position with regard to the 40-hour week in the above mentioned industries is such that conventions may be passed at the forthcoming conference.

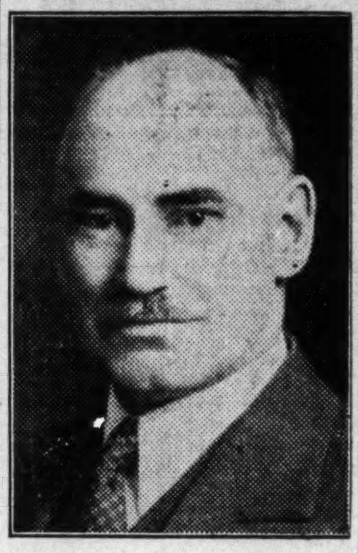
Another topic under discussion is that of holidays with pay, this year's discussion being the second and final one. In other words, the decision will be taken whether there is to be a draft convention providing for holidays with pay for industrial workers.

Last year's decision of parliament that Canada had power to legislate with regard to labor questions by reason of its membership in the International Labor organization makes this meeting a particularly important one for this country.

Alberta Rabbit Skins

There is an active demand for rabbit skins this winter in southern Alberta, the Taber district alone having shipped 20,000 pelts to France and Germany, for hats and dolls.

Elected Vice-President



LT.-COL. C. M. RUTTAN, C.B.E.

President and general manager of City Dairy Co., Ltd., Toronto, who has been elected vice-president in charge of public relations of Borden's Ltd., with headquarters in Toronto. Borden's Ltd. is a company comprising a group of milk and milk products companies with 45 plants in Canada, an investment of $18,000,000 and 3,000 employees. The new office is designed to co-ordinate relations between Borden companies, the producers of milk, the public and other branches of the industry.

Maritime Elec.

May Sell P. E. Island Property if Suitable Offer Made

Contrary to earlier reports the Maritime Electric Co. is not contemplating the sale of its Prince Edward Island properties. The company, however, might consider sale of its holdings in the province if a suitable offer were made.

During the early part of February, Charlottetown authorities announced the city was contemplating purchase of the company's properties on the island and received the provincial government's approval of a valuator to inspect and value the properties. The valuation was enabled by a bill passed in the provincial legislature last year.

System is Extended

In addition to the properties on Prince Edward Island, Maritime Electric operates at Fredericton and St. Stephen, N.B., and Bridgetown and Lawrencetown in Nova Scotia, as well as in Calais, Me. Properties operated include three steam and two hydro-electric plants having a combined installed capacity of 2,800 kilowatts. More than 8,000 customers are on the system.

Capitalization of the company consists only of common stock, all of which is held by Associated Gas. No financial statement or operating report has been issued by the company, such particulars being consolidated with those of the parent organization.

Canada Northern Power Operations on Wider Scale

From Our Own Correspondent

MONTREAL.—In line with larger earnings, power output of Canada Northern Power Corp. during February showed an increase of six per cent, the total of 46 million kw.h. being 2.6 million kw.h. more than the output for February last year.

Cumulative output for the first two months of this year totalled 96.2 million kw.h. This compares with 92.1 million kw.h. for January and February of last year.

As at the end of last month, the company was serving 15,855 customers, against a total of 14,678 at the end of February last year.

Motor Sales Fall Behind

Wintry Weather Cuts New Registrations Below 1935 Totals

Wintry weather is chiefly responsible for the falling off in sales and registrations of new automobiles during February.

Registration figures for Eastern Canada show a drop of 17 per cent compared with corresponding figures for February, 1935. Sales also slumped drastically from January totals.

Registrations for the year to date are higher by 4 per cent than for the first two months of 1935 due to the substantial gain in January following the earlier introduction of 1936 models in November.

Chevrolet in Lead

Analysis of February figures shows:

	Feb. 1936	Feb. 1935	Year to date 1936	Year to date 1935
Chevrolet ...	667	392	1,685	658
Ford	582	1,153	1,557	1,663
Dodge	285	333	799	601
Plymouth ..	269	318	715	590
Oldsmobile .	184	274	474	312
Buick	103	44	358	106
Pontiac	86	272	259	301
Chrysler ...	101	83	225	112
Terraplane .	63	70	173	129
Packard	47	3	137	15

Figures analyzed by The Financial Post from data prepared by Might Directories, Ltd., for Canadian Automotive Trade.

Dom. Engineering Diversify Activity

Business Handled Last Year Shows Entry Into Many Fields

From Our Own Correspondent

MONTREAL—New business available to Dominion Engineering Works is still much below the years prior to 1931. Last year this amounted to 29 per cent of the average for the five years prior to 1931.

Sales of machinery to the paper mills last year increased by 67 per cent, consisting entirely of repairs and improvements to existing machines. Eight electric steam generators were sold, having an aggregate capacity of 46,000 kilowatts. Orders were received for a few hydraulic turbines of moderate size. The hydraulic department also has under construction three large pumps for the city of Montreal.

Orders for rolling, mining and transmission machinery and hydraulic presses, were about 2½ times larger than in 1934.

Products Show Diversity

The sale of equipment to the rubber industry was smaller than last year.

During the past year twelve ball mills were sold to mines, while the company is now making a large single drum, and one double drum mine hoist for Dome Mines.

The Diesel engine department, opened last year, has made a satisfactory beginning and a number of engines were sold, all of which were brought in from England. The company, however, is now prepared to manufacture the types for which there is the greatest demand.

A special melting furnace and machine shop equipment for the production of chilled iron rolls has been installed by the company.

Abitibi Hydro Deficit Is Nearly $300,000

Information tabled in the Ontario Legislature snows that Abitibi Hydro-Electric plant in the year ended October 31, 1935, had a revenue of $943,998. Of this, $935,791 came from customers, and $8,207 from interest income.

Maintenance costs were shown at $215,589, interest charges at $833,645, and renewal provisions at $166,269, a total of $1.2 millions. No provision for contingencies was made.

Longer Month Boosts Power

From Our Own Correspondent

MONTREAL. — With the addition of one operating day, Canadian central electric stations produced 1,937 million kw.h. during February, as against 1,803 kw.h. for the same month a year ago.

The Maritime provinces were the only area that did not share in the increase, while the Prairie provinces recorded the largest percentage gain.

Consumption during the month amounted to 1,826 million kw.h. as against 1,693 million kw.h. a year ago.

Exports totalled 111 million kw.h. while deliveries to electric boilers were 530 million kw.h. Both record moderate increases over that reported in 1935.

Dominion Coal Gain Expected

Competition from Other Fuels Felt by Nova Scotia Coals

From Our Own Correspondent

MONTREAL. — An improvement in coal sales during 1936 as compared with 1935 is anticipated, according to a statement made by Sir Newton J. Moore, president, at the annual meeting of Dominion Coal Co. shareholders.

Last year company's mines produced 3,702,352 tons compared with 4,136,368 tons in 1934. The reduction was due to lesser sales to railways and other customers. Increased consumption by the steel plant at Sydney and increased bunker business to some extent helped overcome this reduction, which would otherwise have been greater.

In discussing the outlook for sales, Sir Newton stated the subvention of railway rates granted by the Federal Government had greatly assisted in holding markets in Quebec and Ontario.

"The extent of present markets," he said, "are of vital importance to the Nova Scotia coal industry as coal sales are being injured by competition of petroleum products used as fuel oil. Also we are feeling keenly the competition of surplus hydro power. The sale of secondary power for use in electric boilers amounts to 25 per cent of all electrical output."

Fresh Material Lacking In Farm Implement Probe

From Our Own Correspondent

OTTAWA. — Four parliamentary enquiries are now under way. The probe into the farm implement industry has been equipped with counsel in the person of R. T. Graham, K.C., of Swift Current, Sask., and with an auditor in Walter MacDonald of Winnipeg. Each is to be paid $50 per day plus $10 per day living allowance. It is apparent that farmer members of the committee are more than a little nervous of approving such largesse for professional experts.

Having organized itself and, through the House of Commons, asked the implement companies to cancel 1936 price increases, pending the outcome of their enquiry, the members seem very much at a dead end.

No industry has been so frequently X-rayed by the state as this one. The investigators are all ready for their task but are having acute difficulty discovering fresh material to be discovered. Their cause, too, has been somewhat compromised by Premier King's unsolicited declaration that he proposed to use his influence to have implements put on the free list in the budget. Duties are now 12½ per cent.

Doesn't Help Situation

This declaration can scarcely improve the atmosphere in which the enquiry must proceed. Probably the line of action to be followed will have as its objective the cheapening of implement production. This has been the government's approach to the automobile tariff issue, precipitated by the United States agreement tariff cut. If the implement industry, through tariff reductions, can be put in a more advantageous operating position, it is hoped it will be willing to pass some of the savings along to the farmers in lower prices.

The radio and wheat committees, while appointed, have not yet begun their enquiries.

To Speed Pension Appeals

The pension committee, while it will survey the condition of returned men, is really a body to pass on the legislation remodelling the administrative machinery. This legislation merges the pension commission and the appeal board, thereby increasing the number of commissioners available to hear applications. A determined drive will be launched to overtake present arrears of 10,000 applications. No liability for pension will be acknowledged hereafter save for injury in the theatre of war, which will cut down new applications by 25 per cent. The government will cease to appeal against pension decisions in favor of veterans.

FEATURES
in the April issue
THE CANADIAN CHARTERED ACCOUNTANT
Accounting for Gold Mining Companies
The Pepper Pool Case— A Fraudulent Prospectus Conviction
Loose-Leaf Minute Books— Opinion of Counsel
Holding Companies Accounts
An Examination of Qualifying Examinations
Interpreting Section 83 (1) of the Dominion Companies Act
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Investment Trends

Stock Market Poise Resting on Recovery

Quietness Near Peak Prices Influenced by European Tenseness and Delay in Seasonal Activity — Currency Disturbances Important

The quiet poise of share prices near their recent peak prices reflects the uncertainties in the still tense European situation, balanced against recovery possibilities. The current business situation should show some improvement if it is to warrant a further rise of stocks now.

March was a poor month for the retail trade in eastern Canada and this should be reflected in first quarter figures when they appear. The April-June quarter is expected to show improvement.

The capacity of investment markets to absorb bad news has been amply tested. The fact is there is a sort of famine of high quality securities so that present low yields may be maintained if foreign exchanges are not upset.

Investors abroad are inclined to view the Alberta situation as localized so that the credit of other governments has not suffered the full effects. Searchers for truth, however, continue to look askance at Canadian government finances in general.

Technical Poise

Position of both Canadian and U. S. share prices can be illustrated by examination of the Dow-Jones averages for Wall Street fluctuations. The average for rail shares has lingered below 47.86 which was considered a major point of resistance to a decline. The industrial average has been above 155.44 which ordinarily would be interpreted as favorable to a rise.

Briefly, the rail average has pointed to a downward move and the industrial to a further advance. Meanwhile dullness has prevailed, there being no clear upward or downward trend for the present. As long as dullness is marked, the sagging of prices is not regarded as dangerous. Should activity increase with a decline, however, a considerably lower level of prices might be reached.

It remains somewhat risky to buy equities indiscriminately in the face of current uncertainty, or until some set-back has developed. For the investor, the best policy in share-buying is to search out values; to buy equities that have stood the test of depression, that pay a reasonable return, and that he would be willing to hold for a year or two, come what may.

* * *

Is It a Scare?

War talk may be of the scare variety. Deep-seated racial antagonisms in Europe, however, contain the danger of an eventual conflict. It will be recalled that long before 1914 such affairs as the Tangiers incident involving the British and German High Seas fleets were harbingers of the seemingly inevitable war.

Well-informed British financial quarters are not alarmed, it is reported. North America is relatively uninformed and therefore puzzled. The voting of £300 millions for John Bull's rearmament, however, cannot be disregarded as an indication of the reality of British apprehensions.

Probably war is not an immediate prospect. While hostilities or rearmament may tend to stimulate recovery, boom conditions may be coming back anyway and the long-run effect of war is economic waste.

The only investor who profited from the Great War was the one who bought the right kind of equities at the start and sold them after the close of hostilities before the inevitable post-war crash came.

* * *

Currency Influences

European nervousness and particularly French fears have brought another strain on the franc. The £40 millions lent to France by Britain has been exhausted and gold exports from France are anticipated.

Suspension of the gold standard by France has been avoided just as frequently as it has been predicted. If it were to occur, however, it would not necessarily disturb world recovery; and in fact might aid it.

The price level in France has remained low partly because the franc has been held high. A drop in the value of the franc, therefore, might alleviate an important cause of depressed conditions in France. And by allowing other currencies to resume their pre-depression ratios to the franc it might actually stimulate international trade and open the way to a new form of currency stabilization.

For Canadian investments, an adverse possibility would be a fall of sterling below $4.87. It would tend to weaken recovery and market values. Fortunately, this does not appear probable.

* * *

Fields for Recovery

Least recovery of earnings in this country has been experienced in some primary industries, such as forestry and agriculture, and in the capital goods field. If recovery is to continue, it is not unreasonable to expect these fields to get more than their share.

Some capital goods securities are already selling at levels that discount hopes of revival. There is a legion of securities in which a fancy speculation in farm and forest recovery can be obtained. Newsprint shares, implement stocks and junior issues of various manufacturing companies that supply rural customers offer the gamble of depression values against the record of past bounties.

* * *

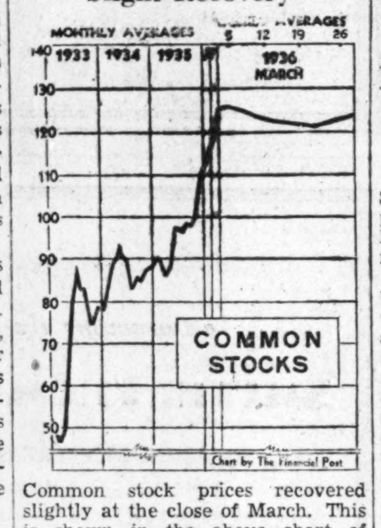
Oddments

European unrest leaves Canadian food exporters distinctly uncertain about the outlook. Meat packing firms, like Burns & Co. and Canada Packers are concerned. Flour millers and the wheat trade are not benefitted by Europe's efforts to feed itself, but continue to hope for the best.

* * *

Drawbacks on paperboard and fine paper under the new U. S. trade agreement are not likely to work to the advantage of Canadian manufacturers. Recovery of volume, however, and lowering of interest charges tend to offset the tariff changes.

Slight Recovery



Common stock prices recovered slightly at the close of March. This is shown in the above chart of Dominion Bureau indices which are tabulated on this page.

INVESTMENT SUGGESTIONS

	Interest Rate	Maturity	Approx Yield
Dominion of Canada......	3%	1950-55	3.07%
Dominion of Canada......	4½%	1948-58	3.45%
C.N.R. Gtd. by D. of C....	3%	1948-53	3.13%
Province of Manitoba.....	3½%	1949	3.85%
City of Saint John, N.B...	3½%	1943	3.00%
B.C. Power Corporation...	5½%	1960	5.02%
Canada Northern Power..	5%	1953	4.59%
Power Corp. of Canada...	4½%	1959	4.75%
Union Gas Co. of Canada.	4½%	1950	4.68%
Kingston Elevator Co.....	6%	1950	6.28%
Canada Northern Power..	7%	Preferred	6.36%
Internat. Bronze Powders.	6%	Part. Pfd.	5.36%
Power Corporation........	6%	Preferred	6.00%
Reliance Grain............	6½%	Preferred	7.22%

Full particulars on request.

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Heads New Firm

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Court Approves Great Lakes Deal

Increase in Volume and Economic Delivery Aid Results

Mr. Justice J. A. McEvoy in Supreme Court of Ontario has approved the sale of assets of Great Lakes Paper Co. as amended recently.

The sale was originally approved by bondholders Oct. 15, 1935, but was subjected to strong opposition as dangerous to the newsprint price structure. In negotiations with Ontario government all parties in the deal arranged that dividends would not be paid to publishers participating in the purchase of the assets until newsprint reaches a price of $45.30 a ton.

The Great Lakes mill is now operating at about 90 per cent of capacity. This increase in volume and the rise of $1 a ton in the price of newsprint for 1936 is expected to allow improved earnings. Orders received for newsprint under the terms of sale come from publishers in the Great Lakes region to whom deliveries can be made economically. This is a favorable earnings factor.

Sidetrack Pacona Offer For Alternate Plan

Official Terms for Price Bros. Along Lines Forecast

MEET APRIL 29

From Our Own Correspondent

MONTREAL. — Shareholders and creditors of Price Bros. and Co. will meet in Quebec City April 29 to consider and pass on a scheme of arrangement advanced by the company substantially as outlined in The Financial Post a week ago.

The meeting has been called by the Hon. Gordon W. Scott, trustee-in-bankruptcy, who refers to the offer received from Pacona Ltd., which would provide sufficient cash to pay off bondholders and a substantial payment to the non-secured creditors, but nothing for either the preferred or common shareholders.

Outline of Company Plan

Scheme of arrangement advanced by the company and to be submitted at the meeting next month provides substantially as follows:

Arrears of interest on the outstanding bonds to be paid in full in cash;

Present bonds to be reinstated with certain modifications with regard to sinking fund requirements, etc.;

Payment to unsecured creditors in cash of a sum estimated to provide 100 cents on the dollar for admitted claims without interest;

Exchange of the present preferred shares, share for share, for new preferred shares of the same par value with somewhat modified rights, together with 2½ shares of new common stock for each present preferred share;

Exchange of the present common shares for new common shares on the basis of three new shares of no par value for every four shares now held:

Rights to holders of the present preferred and common shares to subscribe to units of the second mortgage convertible debentures and new comon shares.

$7.5 Millions of New Capital

The text of the scheme of arrangement gives in detail the plan as advanced by the company. Briefly it provides for the introduction of $7.5 millions of new capital by way of second mortgage debentures, convertible into common on the basis of seven shares for each $100 debenture, carrying a bonus of 3½ shares of common.

Shareholders will be given the right to subscribe to the debentures on the foregoing basis, but whether they exercise their rights or not, the company is guaranteed this amount.

List of Underwriters

The mortgage debentures will be underwritten by Canadian Chartered Securities Ltd., Royal Securities Corp., Wood, Gundy & Co., W. C. Pitfield & Co., Drury & Co., R. O. Sweezey & Co., Investments Ltd., Bowater's Paper Mills Ltd., and Kitcat and Aitken.

The new capital will enable the company to reinstate its first mortgage bonds by paying arrears of interest—some $2.7 millions—in cash, paying unsecured creditors in cash, including Duke-Price Power Co.'s claim of about $1 million, and confirming the existing long term power contracts with that company.

Preferred shareholders retain their 6½ per cent shares at full value, waive arrears of dividends and receive in compensation two and one half new common shares per share preferred.

Common shareholders receive in the aggregate about one-third of the equity of the reorganized company, which percentage will be increased over 50 per cent if they exercise the right to subscribe to the new debentures

Pay Off Price Realty

A part of the plan is that bonds of the Price Realty Co., subsidiary owning Price House in Quebec, will be paid off at 75 cents on the dollar, title to the property thereby reverting to the parent company. The bondholders' protective committee of Price Realty Co., representing a majority of the bonds, have agreed to this arrangement.

Taxes Eat Up Beet Profits

According to figures of the Alberta Co-operative Growers Association, southern Alberta beet growers made an average individual profit of $40.79 on their 1935 crops and paid Government taxes to an average amount of $558.48 in the same year.

The Association, co-operating with eastern Canada growers, is seeking a rebate on the Federal tax.

Nova Scotia Tightens Up Security Act

Brokers' Audits and Registration Statements Required

UP TO REGISTRAR

First reading has been given in the Nova Scotia Legislature to Bill 43 to amend "The Securities Act" to require annual audits of brokers and registration of all securities offered to the public.

Just what information is to be set forth in the registration statement will be determined by the regulations of the registrar. The registration is not effective until the registrar is satisfied with regard to the accuracy and completeness of the information given. The registrar may suspend a registration if he comes to believe that the information in any particular is inaccurate or incomplete.

May Group Prospectuses

Copies of every prospectus issued by a security issuer or underwriter have to be filed with the registrar. The latter may classify prospectuses into groups and prescribe the form and contents which are deemed appropriate to such use and consistent with the public interest and protection of investors.

In requiring audits from brokers the new bill sets forth that the auditors must be selected from a list of registered brokers' auditors published in The Royal Gazette before September 30 in each year. Practising accountants, who are members in good standing of an institute or association of accountants incorporated under the laws of the Dominion or of any province, may apply to be included in such a list before June 30 in each year. The list is selected from these applications, all of which are accompanied by a $500 surety bond.

C.P.R. and Canada

Since Confederation the development of the C.P.R. and Canada's expansion, both internally and in world trade, have run strikingly parallel courses. Today the C.P.R. operates a world wide transportation system in addition to commercial communication and express services and hotels.

Net earnings of the Company for the year ended December 31st, 1935 exceeded fixed charges including bond interest by more than $2,800,000.

New Issue

Canadian Pacific Railway Company
3% Convertible Nine and One-half Year Collateral Trust Bonds
Due October 1st, 1945

The Bonds will be convertible into 4 shares of Ordinary Capital Stock of the Company for each $100 principal amount of Bonds, from April 1st, 1937 to April 1st, 1944 inclusive.

Denominations: $1,000 and $500.

Price: 94.44 and interest, yielding 3.70%

We shall be glad to forward a descriptive circular upon request.

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These bonds constitute an investment which combines security with an opportunity to profit from recovery of Canadian business activity.

SECURED: By pledge of 120% principal amount of C.P.R. Consolidated Debenture Stock.

CONVERTIBLE: From April 1st, 1937, to April 1st, 1944, into four shares of $25.00 par value each of C.P.R. Ordinary Capital Stock, for each $100 principal amount of bonds.

PRICE: 94.44 and interest, to yield 3.70%.

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Crosse & Blackwell Plant Is Planned for Colborne

A number of business men of Colborne, Ontario, have decided to take over the name and machinery of Crosse & Blackwell (Canada) Ltd., of Toronto. The village council will submit a by-law to the electors to give the new firm a fixed assessment for a term of years. P. B. Hall is mentioned as the likely president.

Additional capital will be supplied by the United States firm of Crosse & Blackwell or the English parent company, or both.

The Canadian Grocer in its current number reports it is believed the company will engage mainly in the export field in such lines as tomato catsup and puree and pork and beans. Local proposals are said to have been made for farmers and workers to take part cash and part stock for their tomatoes and for their work. This will probably depend on the ultimate result of negotiations with creditors of the Canadian company of Crosse & Blackwell, however. These adjourned until April 15 while a new plan for paying off creditors from profits of the Beamish sugar refinery is prepared.

Goodyear Tire Net Gains 1st Quarter

Output Increased to Meet Greater Expected Demand

In the first letter sent along with dividend cheques to Goodyear Tire & Rubber Co. of Canada shareholders by the new president, A. G. Partridge, it is stated that an increase in dollar volume of profits is estimated for the first quarter of 1936 as compared with the same period of 1935.

Tire output, says Mr. Partridge, has been moderately increased to meet prospective increases in replacement sales and in sales to car manufacturers for equipment purposes.

Previous quarterly letters to shareholders had been signed by C. H. Carlisle, who is now chairman of the executive and finance committee of the board.

Investment Notes

B. A. Oil — From a Montreal source comes a report that selling has been persistent, possibly from people who bought into the shares 10 years ago. It might be retorted that buying has been even more persistent as has been shown in the firm and higher price of the shares.

* * *

Steel Companies — The Dominion government is still considering sanction of erection of the Vancouver first narrows bridge. If the job is approved before the necessary British capital gets cold feet, it might mean considerable work for companies such as Dominion Bridge, Hamilton Bridge, Steel of Canada, and so on.

* * *

Nickel, Borden — In 1935, Allied International Investing Corp., U. S. investment trust, bought 100 shares of International Nickel bringing its holding to 400 shares and cut its holdings in Borden Co. in half by selling 200 shares. Central-Illinois Securities Corp. in 1935 acquires 1,000 shares of Nickel.

* * *

Dominion Stores Ltd. — Greater freedom of action at key points in the management is expected to have beneficial effects on earnings. Directors are pledged to "drastic" methods of achieving the desired result, it is said, but with the reservation that such methods will not likely be necessary. Sales meanwhile are improving.

* * *

International Petroleum — Approach of the dividend meeting, in April, is causing renewed speculative interest in the common shares, now selling around 36½. Anticipation of the half-yearly dividend has lent market strength to the stock on previous occasions. Production in Peru and Columbia has been maintained at levels comparing favorably with those of the previous fiscal year, despite strike troubles settled in January. An extra dividend of 50 cents was paid with the semi-annual 75 cents last December.

* * *

G. Tamblyn Ltd. — The Toronto drug store firm advertises that it is overstocked, indicating some reduction of earnings.

* * *

Simpsons — Current advertisements state that heavy winter snow prevented attendance at February sales and an effort is being made to recover lost volume now.

* * *

Crown Cork — Gross sales of the Crown Cork and Seal Co. for the first three months of 1936 have been running at more than 15 per cent in excess of sales for the same period last year. This company was formed last November to take over a firm with a similar title.

* * *

Hudson Bay, Nat. Biscuit — Purchase was made of 800 shares of Hudson Bay Mining & Smelting Co. stock by Republic Investors Fund in the last half of 1935. The fund sold its 100 shares of National Biscuit.

* * *

Consolidated Smelters — Wider market interest, both speculative and investment, is developing in Smelters' shares, due partly to steadiness of lead and zinc prices. A one-cent increase in lead prices would mean an additional $3 millions in gross revenue of the company; a one-cent rise in zinc, $2.2 millions. The proposed five for one stock split, to be decided next month, is also credited by brokers with causing the strong undercurrent of interest in the stock.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's
No. of Securities	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.2	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.3
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
Weekly Figures, 1936:										
Mar. 5	141.3	19.9	85.7	247.9	75.4	158.5	149.1	202.2	58.0	127.0
Mar. 12	138.0	19.6	89.6	237.9	73.7	154.8	141.6	195.2	55.7	122.5
Mar. 19	133.3	17.7	92.5	234.7	71.9	151.6	134.5	192.8	54.2	120.6
Mar. 26	135.8	18.5	91.7	242.9	71.3	151.2	139.2	197.4	54.5	197.4

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Mar. 31	135.30	127.29	133.82
Mar. 30	134.08	126.60	133.15
Mar. 28	134.22	124.80	131.79
Mar. 27	133.93	123.69	131.68
Mar. 26	135.92	124.58	132.67
Mar. 25	136.52	123.71	132.62
Month ago ..	142.11	130.33	140.54
Year ago ...	101.27	114.27	82.08
High, 1936 ..	143.48	135.81	144.33
Low, 1936 ..	127.74	115.97	125.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Mar. 31	71.5	75.1	73.9
Mar. 30	71.3	72.8	73.7
Mar. 28	71.3	74.5	73.4
Mar. 27	71.7	74.6	73.5
Mar. 26	71.7	75.3	74.1
Mar. 25	71.3	75.7	74.2
Month ago	73.4	77.8	76.3
Year ago	56.1	56.7	57.1
High, 1936	75.4	78.4	76.6
Low, 1936	69.0	70.3	69.6

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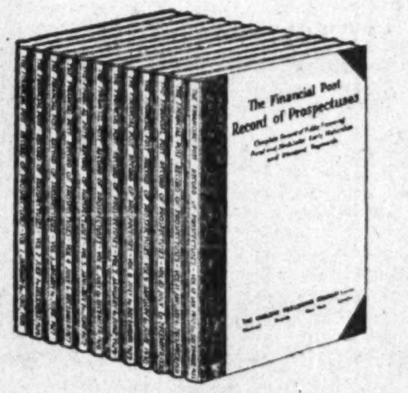

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Volume 13 of The Financial Post Record of Prospectuses, covering all corporate and government financing in Canada in 1934 and 1935, is now ready for distribution.

In addition to giving a summary of all Canadian financing during the past two years, the volume contains a record of bond interest and dividend payments during the period under review and a list of Canadian corporation and government bonds maturing from 1936 to 1942 inclusive. The cumulative index covers some 1,200 prospectuses issued since 1926 and included in the first twelve volumes of the record.

An important new feature of the record is a separate chapter devoted to religious financing, which has recently been of considerable importance. For the most part this consists of the bonds of institutions and communities of the Roman Catholic Church.

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Bond Markets

Alberta's Default Gives Market Jolt

Dislocation to Market Not Expected to be Serious — Loan Council Scheme Being Pressed by Federal Government

Although not unexpected, the Canadian bond market received a severe shock when announcement was made that the Alberta government would be unable to meet its $3.2 million maturity on April 1. This is the first time in the history of the Dominion that a provincial government has defaulted on its bonds.

In refusing to submit to the loan council and thereby avoiding default, the Aberhart government has dealt a severe blow to Alberta's credit.

While such an unnecessary default is deplored, financial circles are hopeful that some benefit may be reaped from Alberta's action. It is felt that when the consequences of Alberta's action become apparent, British Columbia and the other western provinces will be more kindly disposed toward the loan council scheme.

No general decline of a major nature in prices of Dominion and provincial bonds is expected to result from Alberta's action. The dislocation, it is expected, will be mainly confined to Alberta issues.

A number of American companies are expected to undertake financing in the Canadian market in the near future.

The new issue of $15 millions of C. P. R. 9½-year convertible bonds are reported to be going well. Offered at a substantial discount, investors find the yield as well as the convertible feature attractive.

Despite newspaper reports to the contrary, the Dominion government is not abandoning its loan council scheme.

Newsprint Bonds

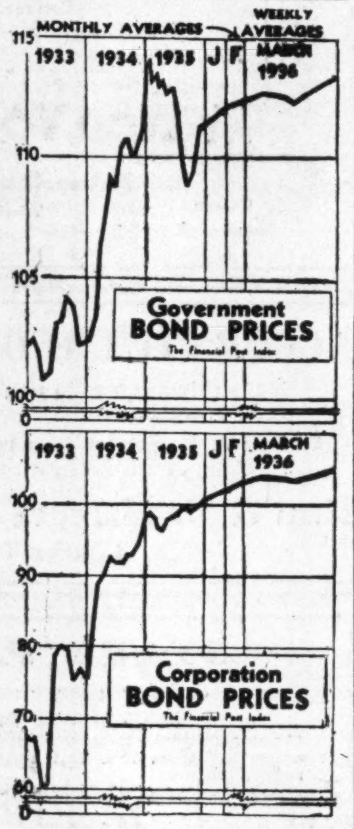
INVESTORS continue to evince considerable interest in defaulted newsprint bonds.

Court approval of the amended Great Lakes reorganization plan was immediately reflected in the price of the company's bonds, an advance of 6 points to 54½ being recorded.

Price Bros. bonds continue strong at about 115. The latest reorganization plan, sponsored by shareholders and a syndicate of investment houses that has agreed to underwrite $7.5 millions of second mortgage debentures has been favorably received in investment circles.

Fraser Companies is working on a plan for liquidation of deferred interest charges through the issuance of stock, which accounts for firmness in the bonds.

* * *



Refunding

PROSPECTS are that refunding will continue to play a major part in Canadian corporation financing for some months. While a large number of issues have been offered in the past three months a considerable volume remains in the offing.

Arrangements have been made for the underwriting of the Canadian Canners refunding issue. Offering of the new bonds will be made as soon as an inventory has been completed, which, it is expected, will be about two weeks.

Saguenay Power, formerly Duke-Price, has filled a registration statement with the S. E. C. at Washington for $40 millions of refunding securities.

* * *

Defaulted Municipals

PRICES of Windsor, Walkerville, East Windsor and Sandwich bonds have strengthened recently in anticipation of the new refinancing plan being drawn up by the Windsor Finance Commission. Announcement of the plan is expected in the near future.

Given below are comparative bid prices for March 4 and March 31:

Municipality—	Prices Mar. 4	Mar. 31
East Windsor	38	43
Sandwich	23	27
Walkerville	64	70
Windsor	52	64

* * *

Government Bonds

WESTERN provincial bonds have all moved to slightly lower levels as a result of the Alberta crisis. Dominion bonds and eastern provincials have continued firm.

The trend of the market for high grade government bonds is indicated below:

The Financial Post Average Yield and Price For High Grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Mar. 31	3.335	114.15	Mar. 30	3.507	113.39
Mar. 30	3.312	114.40	Mar. 29	3.507	113.39
Mar. 28	3.320	114.33	Mar. 28	3.505	113.42
Mar. 27	3.304	114.54	Mar. 27	3.445	114.05
Mar. 26	3.301	114.56	Mar. 26	3.441	114.12
Mar. 25	3.311	114.48	Mar. 25	3.434	114.25
Mar. 24	3.314	114.43	Mar. 23	3.425	114.33
Year's	3.303	114.55	Year's	3.367	114.97
Range	3.597	111.50	Range	4.097	106.57

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Paton Mfg.	6%	1953	May 1	103
Wabasso Cotton.	6%	1947	May 1	110
St. Maur. Vall. Cot.	6%	1952	May 1	105
Shaw. Cotton	6%	1949	May 1	105
Wabasso Cotton.	7%	1942	May 1	110
Ontario Steel	6%	1943	July 1	110
St. Mary's Cement	‡6%	1942	May 1	103
Wpg. Electric	*5%	1935	Mar. 31	100
Burrard D. Dock	5%	Ser.	Apr. 9	105
Shawinigan, "C"	5%	1970	Apr. 15	105
Robt. Simpson	5%	1952	July 1	105
Imperial Realty	6%	1945	July 1	102
Catholic Epis. Corp. Temiskaming†	5½%	1932-56	July 2	101
B. A. Oil	5%	1945	May 29	103
Dom. Canners	6%	1940	Oct. 1	110

†$65,000.
‡$31,500 for sinking fund purposes.
*As at Dec. 31, 1934, bonds outstanding amounted to $2,917,000.

Stock Issues:	Rate	Stock	Date	Price
Geo. Weston	7%	Pref.	May 1	110
Can. Bronze	7%	Pref.	May 1	110

Canada Paper Stock Sought

Holders of Preferred Are Offered Stock in Howard Smith

From Our Own Correspondent

MONTREAL.—Holders of Canada Paper 7 per cent cumulative preferred stock are being offered until May 30 next, one and a half shares of preferred and one share of common stock of Howard Smith Paper Mills, together with $2 in cash for each share of preferred held.

Canada Paper has outstanding $1,250,000 of preferred stock, which was put on the market in January, 1926, by Wood, Gundy & Co., and Nesbitt, Thomson & Co. No dividends have been paid since 1930.

Stock to Cover Offer

In order to complete the deal, 18,750 shares of preferred and 12,500 shares of common stock of Howard Smith Paper Mills and $25,000 in cash will be needed.

Of the issued common stock of Canada Paper Co., amounting to $100,000, 25 per cent is owned by Harold Crabtree and the balance by Howard Smith Paper Mills. The exchange offer is being made jointly by the two shareholders; in other words, Mr. Crabtree will provide one quarter of the necessary preferred and common shares of Howard Smith Paper Mills and cash.

HOWARD SMITH WARRANTS
From Our Own Correspondent

MONTREAL.—Fractional warrants of Howard Smith Paper Co. preferred shares have been admitted to trading on the Montreal Stock Exchange. Trading will be on a when-issued basis until warrants are issued which will be about April 10. The minimum commission on these fractional warrants will be on the basis of 25 cents per one-eighth share fractional warrant.

Foundation Co. Gets Comeau Job

Named General Contractor for $8.5 Million Ontario Paper Work

Foundation Co. of Canada has been engaged as general contractor for Ontario Paper Co.'s development of a 60,000-h.p. hydro-electric plant on the Outardes River with a transmission line to the mill at Comeau Bay, Quebec. A two-machine newsprint mill and a townsite at Comeau Bay are also part of the development as well as complete preparation for logging operations on the Manicouagan River.

A. A. Schmon, president and general manager, states the entire development is to be completed by June 1, 1938. Construction starts at once. The entire job is estimated as likely to cost $8.5 millions. No contract price was made public.

Plans were prepared by the company's engineering staff, L. C. Anderson, manager of manufacturing and J. T. Jaeger, chief engineer. Douglas W. Ambridge will be retained as mill manager at Comeau Bay and M. R. Cunningham is to be in charge of construction at the site. John Stadler, of Montreal, will be consultant for design of the groundwood plant and newsprint mill of 320 tons daily capacity. H. G. Acres & Co. of Niagara Falls are the consulting engineers for the design of power house. Leonard E. Schlemm, of Montreal, is the town development consultant. There will be 50 dwellings in the town at first and Mr. Schlemm will design the general town plan and will approve the design of the residences.

I. D. A. to Meet At Jasper Park

Annual convention of the Investment Dealers' Association of Canada is to be held at Jasper Park Lodge, Alberta, this year. The dates are June 15 to 18.

For several years the annual meetings have been held east of the Great Lakes. The 1935 convention was held at St. Andrews-by-the-Sea, New Brunswick.

A substantial attendance of bond men from eastern Canada is assured.

Sin-Mac Lines Sale Approved

Balance of Fixed Assets Sold for $86,500 — Retain Liquids

From Our Own Correspondent

MONTREAL.—Holders of the first mortgage bonds of Sin Mac Lines Ltd. have approved sale of the company's remaining fixed assets to Joseph Simard and Lloyd Refineries Ltd.

In October, 1934, Joseph Simard purchased the company's eastern assets and as a result the bondholders received $15 in cash, plus one share common stock of Sincennes-MacNaughton Tugs Ltd. for every $100 principal amount of bonds held.

The present purchase by Mr. Simard covers all floating equipment, real estate, stores, inventories, etc., situated at Sarnia, Port Arthur, St. Ignace Island, Ont., and at Isle Royale, Mich. The purchase price was $70,000.

The other deal approved by the bondholders was the sale of the tug "Muscallonge" to Lloyd's Refinery Ltd. for $16,500, payable by installments with interest at the rate of 5½ per cent, the title to the tug to remain vested in the company until full payment of the purchase price.

Neither sale covers cash, securities, or receivables.

Chartered Trust Pays Another $1 Dividend

Chartered Trust & Executor Co., Toronto, paid a dividend of $1 a share April 1 to shareholders of record March 28. This follows a payment of $1 a share on Jan. 2, 1936, which was the first payment since Jan. 2, 1933. The latest payment puts the stock on a dividend basis of $4 a share annually.

Hydro Default Dates Revealed

Maclaren Co. Paid to Dec. 5 — Others to Oct. 31, 1935

Termination dates of payments for former power purchases from four Quebec companies were recently given in the Ontario legislature. The information was revealed in a reply to a question by Hon. W. H. Price concerning the Hydro-Electric Power Commission of Ontario.

Hon. A. W. Roebuck, attorney-general and a member of the Hydro Commission, stated Maclaren-Quebec Power Co. was paid for the full deliveries under the old contract up to Dec. 5, 1935. The other three companies were paid to Oct. 31, 1935.

Question and Answer

Mr. Price: Up to what dates have payments been allowed or made to Quebec power companies under the former contracts with the Hydro-Electric Power Commission?

Mr. Roebuck: Gatineau Power Co.—25-cycle power to Oct. 31, 1935; 60-cycle power to Oct. 31, 1935, with the exception of 6,000 h.p. due Oct. 1, 1935, and not taken.

Maclaren-Quebec Power Co.—To Dec. 5, 1935.

Ottawa Valley Power Co.—To Oct. 31, 1935.

Beauharnois Light, Heat & Power Co.—To Oct. 31, 1935, with the exception of 67,000 h.p. due Oct. 1, 1935, and not taken.

Notre Dame College Calls in Mortgage Bonds

From Our Own Correspondent

MONTREAL. — Notre Dame College, Côte des Neiges, Montreal, has called for redemption on June 1 next, at a premium of one per cent, all of its outstanding 5½ per cent first mortgage bonds, forming part of an issue amounting to $485,000 dated December 1, 1932.

Mara & McCarthy New Partners

GLENN E. BRANDON

D'ALTON McCARTHY

Associated with the Toronto investment firm of Mara & McCarthy for 10 and 9 years respectively, D'Alton McCarthy and Glenn E. Brandon have been admitted to partnership. For the past four years Mr. McCarthy has been office manager, Mr. Brandon has latterly been in charge of the statistical department

Saguenay Power Arranges Refunding of Bonded Debt

From Our Own Correspondent

MONTREAL. — Saguenay Power Co.'s refunding plans, as announced in The Financial Post some time ago, are making progress.

A registration statement has been filed with the Securities and Exchange Commission at Washington covering the following securities:

$30 millions principal value 4 per cent first mortgage bonds, maturing April 1, 1966;

$5 millions serial debentures maturing June 15, 1937, to June 15, 1947, bearing interest at rates varying between 2¼ and 4 per cent;

$5 millions principal value 5½ per cent preferred stock.

At the end of last year Saguenay Power had outstanding over $35.2 millions of 6 per cent first mortgage bonds, due 1966 and $2.1 millions of 6 per cent notes due April 15, 1938. The bonds are callable at 104½ after May 1, 1936, on 60 days notice.

The filing of registration statement with the S.E.C. is required in connection with the offering of any securities which are marketed in the United States. When the necessary formalities have been concluded, the company will take steps to call in both the bonds and the notes.

It is expected a part of the issue will be offered in Canada and application has been made to the Quebec Electricity Commission.

Canadian Bronze Arranges Offering

Old Preferred Called for May 1 — New Stock at Par

From Our Own Correspondent

MONTREAL. — Canadian Bronze Co.'s preferred stock has been called at 110 plus accumulated dividends on May 1 next, the total amount to be paid being $111.75 a share.

Present preferred shareholders will be given the right to subscribe to the new five per cent preferred stock at par, up to and including April 7. The total amount being issued is $750,000, or the same has been called. The premium will be paid from the company's own treasury.

Any stock not taken up by the shareholders will be offered publicly by Greenshields and Co. and H. C. Flood and Co.

Expect to Register German Funding Bonds

Application is expected for registration of $60 millions of German ten-year three per cent funding bonds with the U.S. Securities and Exchange Commission. These would be issued to holders of defaulted German state, municipal and corporation bonds to cover interest from July 1, 1934, to July 1, 1936, inclusive.

Many German dollar-payment bonds of this type are held by Canadians. It remains to be seen, however, whether Canadian holders would receive the same treatment as American holders. It will be recalled that in the recent cash payments on German Dawes and Young loan bonds, American holders were given special privileges over Canadian bondholders.

Arrangement Lacking

As yet, there has been no announcement of any special arrangement by the Canadian government with the German government for special treatment of Canadian bondholders. So far, Canadian investors have been paid interest on the Dawes and Young loan bonds in the form of "blocked" reichmarks. These are worth about 50 cents on the dollar.

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Experienced export sales executive having spent most 1935 in Australia and New Zealand consolidating connections for Canadian manufacturer in these fast expanding markets, wants employment in Export Department of progressive organization. Has working knowledge other countries. Satisfactory reasons for making change. Please write Box 304, The Financial Post, Toronto.

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Rooms with bath, $3.50 up. Rooms without bath, $2.50.

Write for booklet with map of Chicago.

BISMARCK HOTEL CHICAGO

Bond Tenders

Noon, Apr. 6, Twp. of Trafalgar—$15,000, 4½ per cent 20-ins. school debentures. W. E. Ford, twp. treas.

8 p.m., Apr. 6, Laprairie, P.Q.—$29,000, bonds of either 4, 4¼ or 4½ per cent, dated May 1, 1936, redeemable serially from May 1, 1937 to May 1, 1956. Ls.-L. Bourdon, sec.-treas.

The Shawinigan Water and Power Company

NOTICE OF REDEMPTION

To the Holders of the First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "C", 5%, of THE SHAWINIGAN WATER AND POWER COMPANY.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from The Shawinigan Water and Power Company to Montreal Trust Company as Trustee dated October 31, 1927, and the Supplemental Trust Deed dated March 6, 1930, securing the above mentioned Bonds, and to the terms of the said Bonds, The Shawinigan Water and Power Company will redeem all its outstanding First Mortgage and Collateral Trust Sinking Fund Gold Bonds, Series "C", 5%, on the 15th day of April, 1936, at 105% of the principal sum thereof and accrued interest on such Bonds to the said 15th day of April, 1936, upon presentation and surrender of such Bonds accompanied by the interest coupons appertaining thereto which mature on and after August 1, 1936, at the principal office of The Royal Bank of Canada in the City of Montreal, Canada, or at the holders' Option at the principal office of Bank of the Manhattan Company in the Borough of Manhattan, The City of New York, United States of America, or at the holders' option at the Bank of Scotland in London, England.

AND NOTICE IS FURTHER HEREBY GIVEN that in case the Bonds hereby called for redemption are not presented for redemption on the said 15th day of April, 1936, all interest on the said Bonds will cease to accrue from and after the said 15th day of April, 1936.

Dated at Montreal this Third day of March, 1936.

THE SHAWINIGAN WATER AND POWER COMPANY,
Jas. Wilson,
Secretary.

Since the redemption moneys on the Bonds to which the above notice relates are payable, at the option of the holders, in sterling in London, England, and having regard to the present premium on sterling in terms of Canadian currency, the Company has arranged that Bondholders may, if they so desire, obtain the benefit of the sterling premium without the necessity of sending their Bonds to London, for redemption, under the following conditions:

Bondholders may surrender their Bonds for redemption, with all unmatured interest coupons attached, to The Royal Bank of Canada, 360 St. James Street, Montreal, during banking hours **on any day between March 26 and April 4, 1936**, both inclusive, and on such surrender will receive in Canadian funds the par value plus redemption premium plus accrued interest on such Bonds to date of surrender, together with an additional sum in Canadian funds equal to the sterling premium on the aggregate of the above mentioned sums, calculated at the prevailing rate between sterling and Canadian funds at the close of business on the last business day preceding the date of surrender, as to which the certificate of said Bank shall be final and conclusive.

THE SHAWINIGAN WATER AND POWER COMPANY,
Jas. Wilson,
Secretary.

Quebec Promises Rural Power Help

From Our Own Correspondent

MONTREAL.—Further electrification of rural areas in Quebec is promised in the speech from the Throne in the Quebec House.

It is stated a large number of municipalities have asked to lay out and extend electric systems in their territories, and in order to help them, the government proposes to provide "generous" grants.

Pay Rolls Record In Sydney Mills

Employment of 3,200 Men Is High Mark for Decade

From Our Own Correspondent

SYDNEY, N.S. — Marking the completion of the first order of C.P.R. rails rolled at the Sydney steel mills for some years, 6,400 tons of steel rails are now en route to Vancouver aboard the S.S. Celtic Monarch.

The steel mills are now busy rolling a 14,000-ton order received from South Africa.

Marking a new high employment record of the past ten years 3,200 men are now employed at the mills, and it is expected this number will be increased with the opening of coal navigation up the St. Lawrence. The installation of the eight-hour day has materially increased the working force.

McColl-Frontenac Oil Redeems 743 Preferred

McColl-Frontenac Oil Co. has advised the Toronto Stock Exchange that 743 shares of the six per cent preferred stock of the company have been purchased by the company for redemption.

There were 76,353 preferred shares outstanding at the end of 1934.

Hayes Wheels to Cut Bonds

Reorganization Proposes Bondholders Get All Senior Issues

Holders of the $436,500 of six per cent first mortgage bonds of Hayes Wheels & Forgings Ltd. are to meet April 17 at Toronto to consider a plan of reorganization of the company's capital.

It is proposed to reduce the bonds by half and to give bondholders new preferred shares as compensation for reduction of principal. Present bondholders would then hold $50 of six per cent bonds, due 1950, and would also have $50 of six per cent, non-cumulative preferred stock for each $100 of bonds now held.

Unpaid bond interest for 1934 would be paid in cash. The 1933 and 1935 interest would be wiped off the slate. It is stated that satisfactory arrangements would be made for payment of the April 1, 1936, interest on the reduced amount of bonds.

The plan would give present bondholders all the bonds and preferred shares in the new capital. There would also be 24,230 shares of no par common stock issued. These would go to present holders of preferred shares, three common for one preferred. Present holders of common stock would get one new share for each 10 now held.

Proposed New Capital

6% 1st mortgage bonds	$218,250
6% non-cum., $10 pfd. shs.	218,250
Common shs., no par value	24,230 shs.

The reorganization plan provides a new sinking fund for bonds and restrictions on dividend payments. First payment on the new sinking fund would become due Oct. 1, 1940. The fund would retire all the bonds by maturity. If any dividend is paid on any shares before Oct. 1, 1940, an equal amount must be paid into the sinking fund. Nor can any dividend be declared unless after providing for the dividend the net current assets are over $275,000.

Income results for 1935 appear on page 11.

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INCOME TAX RETURN

Our Income Tax Department will prepare your Return for you at small cost.

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ASSETS UNDER ADMINISTRATION EXCEED $767,000,000

Alcohol From Potatoes

From $700,000 to $800,000 annually could be salvaged from the comparatively valueless potato culls of New Brunswick by the manufacture of alcohol.

Latest development in paper manufacture

"Sampson White Envelope"

has a bond finish; is carried in two weights; is brilliant white; is opaque, and has the unusual qualification of having the strength of a rag content bond three times the price.

Toronto Envelope Co. LIMITED
366 Adelaide St. W., Toronto

91ST ANNUAL STATEMENT
DECEMBER 31, 1935

NEW YORK LIFE INSURANCE COMPANY

A MUTUAL COMPANY FOUNDED IN 1845
INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK

To the Policyholders and the Public:—

During the year 1935 the New York Life paid or credited $141,602,272 to living policyholders and $67,991,240 to the beneficiaries of those who died. These huge disbursements reflect the great social service rendered by this mutual Company through the cooperative effort of its policyholders.

The Company's assets were $2,243,587,752 at the close of 1935, an increase of $134,082,528 over the previous year. Bonds eligible for amortization are carried at their amortized value determined in accordance with the laws of the State of New York. All other bonds, including bonds in default, and all stocks (guaranteed and preferred), are carried at market value as of December 31, 1935. The following table shows the diversification of the Company's assets at the end of 1935.

	Assets Dec. 31, 1935	Per Cent of each item to Total Assets
Cash on Hand or in Bank	$57,207,273.47	2.55
United States Government, direct, or fully guaranteed Bonds	321,276,844.71	14.32
State, County and Municipal Bonds	218,461,034.63	9.74
Railroad Bonds	326,116,485.74	14.54
Public Utility Bonds	165,657,871.33	7.38
Industrial and Other Bonds	25,607,657.58	1.14
Canadian Bonds	53,235,381.24	2.37
Foreign Bonds	1,500,627.37	.07
Preferred and Guaranteed Stocks	80,880,743.00	3.60
Real Estate Owned (*Including Home Office*)	115,335,505.83	5.14
Foreclosed Real Estate Subject to Redemption	4,106,665.78	.18
First Mortgages on City Properties	425,058,944.91	18.95
First Mortgages on Farms	9,493,652.22	.42
Policy Loans	379,961,059.47	16.93
Interest & Rents Due & Accrued	29,544,227.37	1.32
Net Amount of Uncollected and Deferred Premiums	29,997,474.44	1.34
Other Assets	146,303.28	.01
TOTAL ASSETS	$2,243,587,752.37	100%

Securities amounting to $35,722,134.15 included above are deposited as required by law.

The liabilities, including policy reserves calculated on the most conservative basis used by American life insurance companies, were $2,126,880,881 on December 31, 1935. A Special Investment Reserve of $40,000,000 not required by law, and reserves of $40,073,472 for dividends payable to policyholders in 1936 are included in the liabilities.

Surplus funds reserved for general contingencies amounted to $116,706,871.

Mortality was favorably low. Expenses were slightly higher, due chiefly to increased taxation.

The interest yield on securities obtainable in 1935 of the high quality and type demanded by the Company for the investment of its policyholders' funds declined throughout the year. In view of the general financial situation and in adherence to the Company's principle that safety is the first requisite in life insurance and must always be the first consideration, the Company deemed it prudent to strengthen its reserves.

At the close of 1935 the Company had 2,672,636 policies in force giving insurance protection of more than $6,620,800,000 to homes, families and business interests. The amount of new insurance issued by the Company during the year was $466,356,000. In addition, men and women paid $40,428,582 to the Company for annuities to provide a guaranteed life income.

During its history of 91 years, throughout every financial and economic crisis, the New York Life has met every obligation it assumed. Today, as in the past, it is sound and safe. Policyholders may be assured as to their wisdom in making provision for their dependents in event of death and for themselves in old age through their insurance in this Company.

A more complete report listing the securities owned by the Company, as well as detailed information on any of our policy contracts, will gladly be sent upon request to the Company's Home Office, 51 Madison Avenue, New York, or to any of its Branch Offices throughout the United States and Canada.

Thos. A. Buckner
President

NEW YORK LIFE IN CANADA . . . 1868—1936

In 1868, one year after Confederation and twenty-three years after the New York Life started in the United States, this Company began doing business in Canada.

Total insurance in force in the Dominion on December 31, 1935, amounted to $152,520,657.

In 1935 the Company paid or credited $3,234,449 to living policyholders in Canada, and $1,995,049 to the beneficiaries of those who died.

Investments in Canada totalled $73,042,646.20 at the end of 1935, an increase of $7,351,840.37 over the previous year.

The New York Life maintains Branch Offices in Montreal, Toronto, Winnipeg and Vancouver. In Toronto the Branch Office is at 330 Bay Street.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Stratford, Ont.	Mar...	McLeod, Young, Weir & Co.	4½%	1946	$50,000	105.07	.....
Halifax, N.S.	Mar...	Dominion Securities, Bank of Nova Scotia	3%	Serial	200,000	100.52	2.92%
Saint John, N.B.	Mar...	Nesbitt, Thomson & Co.	3½%	1943	30,000	103.13	.....
Dominion—							
Canada Treasury Bills	Mar...		....	93-day	$25,000,000	99.767	0.927%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Canadian Pacific Railway	Mar...	Wood, Gundy & Co. and Syndicate	2½%	1939	$8,000,000	100	2.50%
			2½%	1941	$15,000,000	96.56	3.25%
			3%	1945	$15,000,000	94.44	3.70%
Stock Issues—							
Darkwater Mines	Mar...		....	....	470,000 shs.	48c	.....
Senator Gold Mines	Mar...	Vaux, Bury & Co.	....	....	500,000 shs.	12½c	.....
Nordic Sturgeon Gold Mines	Mar...	International Fiscal Corp.	....	....	333,334 shs.	30c	.....

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS

Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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TORONTO, APRIL 4, 1936

Cabal Against Tariff Board

THE government will be well advised to ignore the advice of a relatively small group among its supporters and in business circles, that there should be no public reports on references heard by the Tariff Commission. The proposed change, of course, would apply only to tariff hearings and not to appeal cases taken to the Commission under the new dump duty provision or from administrative rulings by the National Revenue Department.

Those who advocate this change hark back to the pre-1930 days when the old Tariff Advisory Board functioned. This board did not make public reports but tendered private advice to the Minister of Finance. Tariff litigants and the public never had the opportunity to study the whole picture in any given industry (being denied the facts obtained by the board but not available in the record of public hearings) and were denied also knowledge of the judgment of the chairman of that body, then W. H. Moore. Similarly, if this practice were applied to the present Commission, the public and the interested parties would never know the final conclusions arrived at. When these findings are translated into budget enactments, all manner of political, non-judicial influences play their part. Essential facts which enable the public to be the final judges are lacking.

Similarly, the government should resist the demand, reported from Ottawa, for the retirement of two of the present Commission of three men. It is reported that patronage ambitions of the party are fixed upon the positions of Milton Campbell, western representative on the board, and Charles Hébert, the Quebec representative. Both have given good service and both are qualified by reason of their proved impartiality and by the experience and knowledge which their service on the board has brought them to fill the term provided in the statute. It is fairly obvious that no man can contribute much to the usefulness of the Commission until he has learned essential facts about the industrial life of the country. Removal from office should be for cause, not for patronage purposes.

Ecstatic Minds and Progress

Mr. Bennett: "The static mind never progresses."
Mr. King: "Nor the ecstatic."
—*House of Commons, March 24, 1936.*

SUCH was a witty exchange in Parliament the other day. About the same time, President Roosevelt was giving a speech in Florida in which he said:

"Stagnation follows standing still. Continued growth is the only evidence of life."

The President quoted the movie version of what Lister said to Pasteur, when he was being denounced as a charlatan:

"My dear Pasteur, every great benefit to the human race in every field of its activity has been bitterly fought in every stage leading up to its final acceptance."

All this is very true but very trite. It would be unwise to say that every new step that is bitterly contested is ipso facto a progressive step. Among the alleged charlatans there are more quacks than martyrs; more misguided geniuses than misunderstood ones. Some of Mr. Roosevelt's "reforms" have already been proved rather hollow. To avoid being "static" he became "ecstatic."

Progress does not follow from standing still. But it is not achieved by emotional economics or mass political hypnosis either.

Bargain Annuities for the Rich

LAST week's discussion in the Senate of a resolution to investigate the operations of the federal annuity branch at Ottawa indicated an almost unanimous desire to curb the drain on federal funds which has been pyramiding at this point in recent years.

In asking for a special committee to investigate this department of government, Senator F. B. Black disclosed that already in 10 months of the present fiscal year almost $16 millions of business had been placed by the federal annuity branch as compared with annual sales averaging not more than $2 or $3 millions in previous years. He estimated that total sales for the present fiscal year would reach the astounding total of $20 millions.

The reason is of course that astute, well-to-do persons in all parts of the country have been flocking to deposit their savings with the government on a basis that guarantees them a return of almost 4½ per cent on their investment without any deduction for administrative expenses which are paid by the government.

As far back as 1931, The Financial Post in a series of feature articles exposed the financial absurdities of the federal annuity branch and showed the substantial losses which were accruing to the federal treasury not only by the way in which the annuity branch was being operated but primarily because of the continued use at Ottawa of obsolete mortality tables based on the experience of over 40 years ago. One result of the Post's agitation at that time was a federal enquiry which resulted in limiting the amount of an individual annuity from $5,000 to $1,200 annually.

While this was a move in the right direction, The Financial Post has continued to urge an examination and revision of the entire scheme along the lines suggested by Senator Black with special reference to the use of obsolete mortality tables which as far back as 1931 were estimated to have involved the federal annuity fund to the tune of over $1,500,000.

This is the most glaring inequality of the present legislation and one to which the Black committee should devote a major portion of its investigation.

The taxpayers should not be putting up the money to meet losses on a scheme that seems to be operated chiefly for the benefit of wealthy investors who are well able to pay the full cost of their annuities.

Does War Create Wealth?

THE Ottawa Citizen challenges the statement of The Financial Post that the chief cause of the economic crisis was the Great War. Pooh! the war did not cause the trouble; the war made the nations rich by stimulating production! This is, in brief, the argument of Eastern Canada's chief Social Credit organ, which we reproduce in full elsewhere on this page.

Of the leading economic students of the world about 99 per cent are in agreement on the point that the Great War was destructive in its influence. They assign to the war a varying degree of responsibility for creating, intensifying, hastening, prolonging or precipitating the economic crisis.

The actual physical waste and destruction of the war was costly to mankind. Much more serious was the profound economic disturbance it caused. The world has been seriously off balance ever since. To quote Sir Arthur Salter's "Recovery":

"The wounds of the war were deeper than they seemed. Or rather, perhaps, they reduced the world's resistance to older weaknesses and hastened their fatal consequences. How much the least of the evils of the conflict was its material destruction! In mere production the war period bore its own burden. It made almost as much as it consumed. The human effort needed to rebuild devastated areas, or restore the fixed plant destroyed or worn out, would have been but a small toll on the world's capacity. Happily, no belligerent can utilize the production of the future; the shot fired today must be made yesterday, and not tomorrow. In material resources the world was therefore not very substantially poorer in 1918 than in 1913. It had, indeed, mortgaged the future disastrously by debts, but debts do not enable future products to be used or wasted. They affect only the distribution of what may be made in later years, and—but this is much—disturb and dislocate the processes of future production.

"Here is the clue to our present distresses. It is one not of destruction, or of failure in production or in resources, but of dislocation."

The Citizen would no doubt desire us to quote the next succeeding paragraph in Salter's volume. It reads:

"If we had had a system which enabled us to utilize fully our capacity to produce without paralyzing interruptions, it would have been but a year or two before the world not only repaired its war losses but advanced to a standard of prosperity never before attained and scarcely imagined."

The Citizen thinks it knows the answer to that riddle. It is, in the Ottawa paper's opinion, Social Credit. Well, every man to his own economic heresy. The Financial Post's view of Social Credit is that its professional and laymen preachers are better at posing the problem of Impoverishment Amidst Plenty than in outlining the solution. Social Credit is mostly cobweb, airy and unsubstantial, but spun on a very slender stick of substantial truth.

Names, Please!

CAVALCADE" is the name of a new monthly magazine published in Toronto as a protest against inefficiency in government, an excess of partisan politics and mounting taxes and debts. It is "edited by the Cavalcade Club" and published by the "Excelsior Publishing Company" for the "League for Better Government." A full page advertisement of the "League for Better Government" declares that it has been "founded by a group of prominent business and professional men."

The cause is a worthy one but it is not likely to be successful promoted by people who remain anonymous. The "prominent business and professional men" should announce their names. The Cavalcade Club should publish the list of its officers and directors. The magazine says that "we alone" control this paper and its policies; but who are "we"?

What this organization has set itself to do is too important to be done in the dark.

Obsolescence on Rails

LAST year Canadian National Railways retired more than 20,000 units of equipment. Included were:

Locomotives	246
Freight cars	15,620
Passenger cars	584
Work cars	4,490

This extraordinary programme, together with abandonments of line, involved charges of upwards of $30 millions, it being difficult for the layman to determine which figure to choose from the many given in the report as the cost of retirements and abandonments.

The C. N. R. has apparently cleaned out much and possibly most of its obsolete equipment. No doubt it can easily handle all the available traffic with what it has left. Further recovery will bring enlarged traffic. And new techniques in transportation are bringing us new engineering standards both in locomotives and in freight and passenger cars. The Canadian National and the Canadian Pacific are partially obsolete railways, measured by present theoretical standards. Both lines will require to spend many scores of millions of dollars on modernization programmes in coming years. That is part of the tragedy of dilly-dallying with the railway problem. We have not only failed to meet the present cost of railway transportation but we have also failed to make provision for financing the programme of modernization.

Nurse Not Doctor

HOURS have been devoted to speeches in the House of Commons in which cures for the problem of unemployment have been offered. Most of them provide for large governmental expenditures to provide jobs for all.

Governments can provide temporary jobs by spending money. But in doing so they do not create the conditions which provide for dynamic long-term employment.

Governmental job-creating schemes are based upon a simple misapprehension. They assume that the depression is the result of the widespread lack of employment. The fact is that unemployment is the result of depression conditions.

The cure for unemployment is prosperity. Given prosperity there would be no unemployment.

Unemployment is a headache. And like a headache it is a symptom of a condition. Government spending schemes may relieve the headache but they cannot cure the condition.

Development, expansion, more trade. These are the cures for the condition, from which we suffer and which has given us the headache of unemployment. The rôle of government should be that of the nurse and not that of the doctor. It should arouse confidence, keep the sick room clear of the cobwebs and dust of excessive regimentation and punitive regulation; cut down the patient's diet of government funds; and instill in him faith in his ability to recover through his own exertions.

May Yet Be Fulfilled

AT ONE time the state of Pennsylvania defaulted on certain of its bonds. Years later, the taxpayers dipped into their pockets to make good the bargain.

It may be that the same thing will ultimately happen in Ontario. It is quite conceivable that some future government will decide that the blot on Ontario's credit, smeared there by the power contract repudiators, ought to be removed, and that a reasonable settlement will be offered to the bondholders who have suffered.

Post-Scripts

"Truth Is Stranger . . . ."

THE trite but very pertinent thing to say about a coincidence that came to our attention over the week-end is that "truth is stranger than fiction." At least it is quite as strange.

In the magazine section of the New York Herald-Tribune last Sunday appeared a short, short story by Channing Pollock. Highly distilled drama, it told of Jimmy Farrell, who was freed after 26 years in the penitentiary only to be run down and killed by a motor car as he left the prison and hurried across the road to greet his waiting wife.

The book review section of the same issue reviewed "Arctic Adventure," the new Farrar and Rinehart autobiography of Peter Freuchen, famed Danish explorer. Freuchen started out to be a doctor. One day he stood at the windows of a hospital in Copenhagen watching a discharged patient take his first steps again in a city street. The man, terribly injured, had been given up as beyond saving. But the doctors cured him. A miracle was performed and he was sent out again to take his former place in the world. As he crossed the street from the hospital an automobile bowled him over and killed him.

Sayings of the Week

"Planning for posterity is absurd conceit."—*P. Bernard.*

* * *

"Leadership and democracy are not incompatible."—*Henry Adams Bellow.*

* * *

"What we need to learn is the old doctrine that in war everyone loses."—*John Erskine.*

* * *

"There is no mystery about the New York Stock Exchange."—*President Charles R. Gay.*

* * *

"When government becomes too rigid to meet changing needs, revolution breaks out."—*William Green.*

* * *

"The United States is well on the way toward self-disciplined liberty." — *Nicholas Murray Butler.*

* * *

"To give justice, peace and happiness to the masses is more difficult than to give bread."—*Guglielmo Ferrero.*

* * *

"College students in the U. S. are about as conservative a group as you'll find—too conservative."—*Harry Woodburn Chase.*

* * *

"We cannot blueprint the future beyond building a few additions to the structure of the present."—*Prof. James T. Shotwell.*

* * *

"I wouldn't give a penny for the ordinary college graduate except those from the institute of technology."—*Thomas A. Edison.*

* * *

"I don't want to have anything to do with politics, and I don't want politics to have anything to do with me."—*Henry Ford.*

* * *

"Whether we move toward nationalism or internationalism, the gap between economics and politics must be closed."—*Raymond B. Fosdick.*

* * *

"While every major depression has started at a different period of the year, every major recovery has begun in the summer." — *Herbert Hoover.*

* * *

"We live in the twentieth century, but where politics and higher education are concerned we employ the methods of the thirteenth."—*Aldous Huxley.*

* * *

"The main burden of putting things right ought to rest upon the same agency that got them wrong—viz., a change in the dollar price level."—*Sir Josiah Stamp.*

* * *

"The Canadian dollar has exhibited a remarkable tendency, when not at parity with the pound or U. S. dollar, to take up an intermediate position." — *Graham Ford Towers, governor of the Bank of Canada.*

* * *

"It is impossible to win a war against depression if pennies are used where dollars should be employed."—*Vancouver's Mayor McGeer, asking government authorities for $26 millions for construction.*

Social Credit Organ Argues War Made World Rich

Ottawa Citizen

In an article which refers to Social Credit as a "quack device," and indiscriminately drags old age pensions, public works and excessive tariffs into the same category as cures for the economic difficulties of the day, the Toronto Financial Post gives its own views on the subject.

The chief cause of this country's present troubles, it says, is the war. That is the excuse which every short-sighted observer has put forward since 1919. Actually, the war made most participating nations much wealthier, not in money, but in goods and services.

In 1913, British agriculture could supply food for Britain for only 120 days in a year; in 1918, the supply was raised to 156 days out of 365. In two years more, it could have increased the supply to nearly 300 days. Industrially, productive capacity was increased enormously, and at the end of the war, Britain was much better off in real as distinct from money wealth than at the beginning, and the same applies to Canada.

From that point the Toronto paper goes on to trot out the old alibi—"let us not delude ourselves" it says, "that Canada can help itself to recovery without a larger measure of world recovery." This is the sort of tomfoolery that has passed for economic right-thinking for too long. Which other countries are supposed to start the world recovery? They are seemingly waiting for the others first, and so long as all wait for the others, we shall never recover.

Besides, even The Post must admit that Canada has enough to feed all its own people and to spare. Are we to export what we have to spare before we can feed our own? The proposition is preposterous. When it comes to talking "quack devices" for remedying current ills in Canada, the worst quackery is to repeat this parrot-talk in the face of the physical facts on every hand proving this country's worth in real wealth.

Who Owns the Wealth?

An advertisement of Selfridge & Co. in the London Times

It is common knowledge that if a thing is repeated often enough, eventually a great number of people will come to believe that that thing is a fact. We are constantly hearing repeated the wild statement that 1 per cent of the population own 85 per cent of the wealth, and, even though one is apt to regard this as being an exaggeration, owing to the fact that one hears it expressed so widely and so frequently, it is almost impossible to prevent oneself growing into the way of thinking that there must be a basis of truth in it.

Recently we had the pleasure of reading a copy of a very interesting and intelligent address delivered by the Rt. Hon. Arthur Meighen, P.C., K.C., before the Board of Trade of Toronto last November. Mr. Meighen proves that this particular statement with regard to the wealth of the country is absurd and totally unfounded, and likely to cause damage in the mind of the sensation-loving public unless definitely refuted. He had sufficient courage of his conviction to go into the matter very thoroughly, enlisting every official assistance to help him in his quest, and he succeeded in collecting enough of hard solid fact to explode the theory once and for all.

In his address Mr. Meighen points out that, certainly in Canada, 1 per cent of the population do not own 85 per cent of the wealth. He gives statistical proof that the farmers in the possession of farming lands, houses, etc., hold 20 per cent of the total wealth of the country. A further 34 per cent of Canada's total wealth is accounted for in the value of the homes, buildings and properties owned, as a rule, by the small land owner. The farmer and the small land owner cannot possibly be included in the proverbial 1 per cent rich people. Again, six billion eight hundred million dollars out of Canada's total of slightly over 22 billion is held by British and foreign investors, and again the proverbial 1 per cent of the population has no part in that sum.

These three items alone added together represent about 75 per cent of the entire wealth of Canada, in which the very wealthy have no interest whatever.

These conditions can very reasonably be compared with conditions in England, and the fact is that the wealth of this country is pretty well divided among the people as a whole when one considers the hundreds of thousands who have small holdings of a few shares in the hundreds of joint stock companies — in the savings bank deposits — in the small houses all over the country, etc.

There are comparatively very few really wealthy men in the world, and, when and where they do exist, their property and wealth are largely employed in businesses or undertakings which they have assisted or built up and which do in no way interfere with the holdings of the multitude.

Subsidizing U. S. Advertisers

Flood of Advertising
Sault Ste. Marie Star

Quite a strong argument is put up by The Financial Post for some consideration in the way of a reduction of taxation against Canadian magazines in view of the competition from United States publications as a result of the removal of the Canadian duty under the new trade treaty.

There can be little question but that the flood of American periodical advertising which comes into this country is one of the biggest handicaps that Canadian industry and Canadian business have to overcome.

The Post puts it thus:

"Canadian magazines are not asking for a preferred position in their home market but only for an equal competitive position.

"The big argument in favor of such a move by the Government is not the good of Canadian publishers but the benefit to Canadian producers in being protected against a type of advertising competition that is grossly unfair to them and to the Canadian people in being given an opportunity to develop a periodical literature at home to offset the Americanizing influence of literature from across the border."

Subsidized Advertising
St. Catharines Standard

Striking when the iron is hot and when entry into Canada is duty free, publishing companies are dumping their publications into Canada by circulation campaigns which cost vastly more to conduct than the revenue received in subscriptions, let alone the cost of editing, printing and shipping the magazines to the distributing centres in Canada. Some Canadian newspapers in their own field have had this policy for years past, securing an increase of circulation at any cost and making it up with resultant prestige with the advertisers.

The Financial Post this week shows why the United States publishers are doing this now. With largely increased circulation in Canada, they go to the American manufacturer and point out what a market there awaits him up north. He is quick to take advantage of this Canadian-subsidized advertising and the competition offered is inimical to the industrial fabric of this country and a deterrent to Canadian employment.

How is the advertising subsidized? Because it comes in publications which, with free entry into Canada have a production cost far below Canadian magazines, because of the high duty the latter have to pay to secure necessary supplies, higher postal rates and taxes.

The advantage is so much with the United States publishers that the contention has been made, without being questioned, that it would pay the owners of Maclean's for instance, to publish in Buffalo and ship to Canada.

There are some who scoff at the sentimental side of the issue. They say all thought ought to be free. Granting all that, there isn't a thing that can be said in defense of the unfair position in which Canadian magazines have been placed by reason of that clause of the trade treaty which permits all American publications to enter free as air. Some of them contain articles as inimical to goodwill and understanding and as Anglo-phobe as might emanate from an enemy country, and yet the Canadian market and the Canadian dollar are coveted in every page of their issues.

In the final analysis, the balance of trade will show whether Canada can stand the drain.

As Others See Us

Indifferent
Winnipeg Free Press

The Financial Post has received a letter from somebody in England who says, "We will have nothing to do with any Canadian business after the treatment received by the Grand Trunk Railway shareholders from the Canadian government." All right, old top, as you please; but we can get along quite nicely without you.

"Without Benefit Of . . . ."
Woodstock Sentinel-Review

Under the caption, "Faint Heart Ne'er Won Fair Lady," The Financial Post publishes a cartoon representing the "Railway Vote" as a large and austere woman seated so as to separate a distraught young man and an attractive young lady, respectively "the government" and "the railway problem." There is point to the cartoon, but we suggest that the case is scarcely one of courtship. The parties have been living together for years. More likely the old dame is seeking to prevent divorce.

Municipal Default
Ottawa Journal

The Financial Post, of Toronto, publishes figures to show that more than forty municipalities in Ontario are in total or partial default on all or part of their bond issues.

The Financial Post says that "in practically all cases" refinancing will be necessary. In such operations the interests of those who purchased municipal bonds as an investment, convinced of the security of Canadian civic institutions, must not be treated too casually. Those who seem to look upon "capital" as a deadly enemy disruptive in its habits and subversive to the greater good forget that the holder of municipal bonds is the widow in the next street, the school teacher, the retired civil servant, thrifty men and women in humble circumstances everywhere.

Hopes to Pay Soon
Niagara Falls Review

Some people do not understand that there are various degrees of default among the municipalities of the province, and there is a tendency to lump them altogether which is unfair. The Financial Post notes that investors have recently evinced considerable interest in the bonds of the more important municipal defaults in Ontario and as a result active trading has developed.

Except for Sudbury, the city of Niagara Falls is in preferred position on the whole list, which is something to be thankful for. The time is not far distant, it is hoped, when this city will be removed for good from such a list.

Stop Me If You've Heard This One

Visitor — You say that public building over there cost $2,000,000? Doesn't that seem like a terrible price for such a building?

Citizen—Why, man, if you knew the gang that got the contract, you'd think we're getting off cheap.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

Inquiries may be made to our nearest Branch

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Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Dominion of Canada fully subsidizing
Burrard Dry Dock Company Ltd.
3% Bonds due April 9, 1949
Price: 96.85 and interest to yield 3.30%
The Dominion Government pays principal and interest out of the revenue fund.

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Convertible Collateral Trust
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If you require an independent actuarial opinion on your Superannuation Plan, or a Plan formulated to suit your Company's needs, consult
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TORONTO - KIRKLAND LAKE

Trinity College School
Port Hope, Ont.
A residential school for boys.
Founded 1865.
The Memorial JUNIOR SCHOOL BUILDING for boys of nine to fourteen will be re-opened on April 15th.
The Examinations for the MEMORIAL SCHOLARSHIPS each of the value of $500 a year, will be held on May 7th and 8th. Applications will be received until April 15th.
Trinity Term begins on April 15th.
Full information will be given on request to the Headmaster,
Philip A. C. Ketchum, M.A., B. Paed

QUALITY ENGRAVING—*The Essential Safeguard in Monetary Documents*

Over 100 Years of Dependable Service

A CENTURY OF SERVICE

ONE Hundred Years is a long time! During that period a company can acquire experience and skill which is a sure guarantee of satisfactory service. All this is back of our slogan—

"Over 100 years of dependable service."

In the engraving and printing of bank notes, bonds, stock certificates and all monetary documents is reflected all the knowledge acquired in over a century of exacting service.

This is the reason that documents bearing our imprint have character and individuality which it is difficult to duplicate or to counterfeit.

CANADIAN BANK NOTE COMPANY
LIMITED
Head Office and Works—OTTAWA
—*Branch Sales Offices*—
TORONTO MONTREAL

Week in Business

Losses and Gains Mix In March Employment

Individual Industries Reach New High Ground Since Depression, But Total Below Normal — Maple Syrup Crop Short

Employment figures for March 1 give accurate, first-hand pictures of the unevenness which has been evidenced in business in Canada during the first quarter. Taken as a whole, returns from 9,411 employers show pay rolls were slightly larger than at the beginning of February but that the increase was not quite as large as is customary at this time of year.

In manufacturing establishments, leather, textile and iron and steel plants were more active but in the two latter groups the increase was much less than is customary at this time of year. Lumber mills also failed to show customary improvement for this time of year while returns from logging camps showed a 15 per cent drop in employment compared with the previous month. Another disappointing return was a further falling off in building activity, the index dropping to the lowest point since last May.

* * * *

On the bright side, employment in the metallic ore mines broke into record high ground, the index at 234.9 having exceeded the previous peak of November, 1935. The average employment during 1926 is represented by 100. Gains were also made in highway employment chiefly due to snow-clearing operations; while employment in leather and boot and shoe plants and in machinery and foundry and machine shop products all recorded gains which pushed the indices into new highs since the depression.

A small improvement was shown in employment in retail trade although the index of retail sales for February (released this week) showed a small decline. Stores to show better trade last month were boot and shoe, candy, women's clothing, department store, furniture and variety chains.

* * * *

And with signs of spring and Easter not far away there comes news of Canada's first 1936 crop—maple sugar. Unfortunately the omens are bad, for early melting of the snow, and heavy rains in the big producing province of Quebec have greatly cut the crop, one estimate placing it as low as 25 per cent of last year's total, according to The Montreal Gazette. There is a considerable amount of last year's crop still on the market as far as inferior grades are concerned and it is expected that this will be mixed with the 1936 run to build up volume.

Business Indicators

Changes of the Week

Favorable

Carloadings and rail earnings continue at satisfactory levels. Loadings for the week of March 21 were boosted by active grain and livestock movement in the west; by coal in the east. Both roads continue to show good increases in gross earnings though net revenue of C. N. R. for February continued behind the same figure a year ago.

Construction contracts awarded in March were 21 per cent higher than a year ago; the highest for that month since 1932.

Central station output was higher in February than a year ago but seasonally less than in the previous month.

Other gains: number of used cars financed in February; bank debits; coal imports.

Unfavorable

Automobile production and sales fell sharply in February as export and domestic demand fell off, the latter as a result in large measure of unfavorable weather conditions preceded by heavy January shipments.

Employment failed to make usual seasonal gain though individual industries made good showings. (See Week in Business above.)

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Mar. 21)	▲44,069	43,823	500,219	512,130
C.N.R. gross earn. (Mar. 21)	$ ▲3,233,715	$ 3,141,124	$ 35,717,187	$ 33,924,052
C.N.R. net revenue (Feb.)	$ ▲2,361,000	$ 2,135,000	$ 26,018,000	$ 23,502,000
Business Conditions—				
Weekly index D.B.S. (Mar. 21)	▲106.4	100.2	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (Feb.)	105.6	96.3	....	....
Transportation—				
C.P.R. net earnings (Feb.)	$ ▲867,397	$ 850,144	$ 1,479,969	$ 1,054,458
C.N.R. net recenue (Feb.)	$ ▲‡288,460	$ 132,567	$ ‡864,790	$ ‡613,786
Iron and Steel (Feb.)—				
Pig iron production (tons)	55,751	37,259	117,087	81,675
Steel ingots and castings prod. (tons)	93,365	56,006	193,590	115,532
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Feb.)	▲4,299	5,987	9,029	8,835
Factory output (Feb.)	▲10,853	13,885	22,114	22,154
Trucks and Buses:				
Domestic sales* (Feb.)	▲1,113	1,253	1,927	1,868
Factory output (Feb.)	▲2,415	4,229	4,456	6,567
Exports (Feb.)	▲5,143	7,869	10,225	12,455
Construction—				
Building permits (Feb.)	$ 1,911,884	$ 3,601,637	$ 3,195,600	$ 4,484,515
Contracts awarded (Mar.)	$ ▲10,289,100	$ 8,499,000	$ 32,127,200	$ 29,391,300
Newsprint (tons)—				
Production (Feb.)	221,569	180,305	449,524	382,264
Exports (Dec., 1935)	277,743	245,135	2,574,987	2,399,606
Sugar (lb.)				
Melting & shipments§ (raw)	20,434,690	20,633,450	41,489,975	37,767,119
Manufactured§	20,769,861	25,678,831	44,814,535	55,480,112
Flour (bbls.)				
Production (Jan.)	981,988	1,024,958	......	......
Wheat flour exports (Feb.)	340,102	309,729	654,413	655,828
Trade (February)—				
Retail trade (index no. of sales)	▲69.1	69.1	......	......
Imports, (Feb.)	$ 41,597,390	$ 37,043,710	$ 82,187,674	$ 74,273,115
Exports (Feb.)	$ 60,128,198	$ 47,677,418	$ 114,615,922	$ 92,051,034
Wheat exports (bush.) (Jan.)	7,557,320	5,380,266	......	......
Employment, D.B.S. Index (Mar. 1)				
All industries	▲98.9	96.4	......	......
Manufacturing	▲99.5	92.7	......	......
Electric Power Output (Feb.)—				
Total monthly (000's omitted)	▲1,937,550	1,803,447	4,028,591	3,816,189
Aver. daily	▲66,812	64,409	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Jan.)	72,236	75,191	......	......
Boot & shoe prod., pr. (Jan.)	1,153,989	1,329,880	......	......
Crude petrol., imp., gal. (Feb.)	▲39,654,916	53,576,228	100,786,265	113,524,512
Cotton imports, lb. (Jan.)	19,939,607	11,068,000	......	......
Raw rubber imp., lb. (Jan.)	3,938,272	5,980,505	......	......
Coal imports, tons (Feb.)	▲530,842	494,491	983,520	973,417
Finance—				
Bank debits (Feb.)†	$ ▲2,767,449	$ 2,089,041	$ 5,759,517	$ 4,771,091
Bond sales (Feb.)	$ 138,913,775	$ 25,734,700	$ 272,570,889	$ 44,961,200
Life insurance sales (Feb.)	$ 30,474,000	$ 28,716,000	$ 64,695,000	$ 61,704,000
Automobile Financing—				
Used cars (Feb.)	$ ▲906,921	$ 848,001	$ 1,881,817	$ 1,361,077
New cars (Feb.)	$ ▲1,006,756	$ 1,136,203	$ 2,042,634	$ 1,787,475

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Feb. 22, 1936. ‡Deficit.

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What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

A new institutional campaign opens this week for Imperial Oil Ltd. It will run in dailies, weeklies and magazines throughout the spring, summer and fall. Copy is in news photo style, the pictures showing various ways in which the company's products enter into the economic life of the Dominion and illustrating different phases of the firm's operations in a topical way. Cockfield, Brown & Co., Toronto, are directing the campaign.

* * *

Bruce M. Pearce, editor of the Simcoe Reformer, was elected president of the Canadian Weekly Newspapers' Association, Ontario-Quebec division, at the annual meeting held in Montreal, March 27. He succeeds Walter Legge, Granby, Que. H. E. Rice, Huntsville, was elected vice-president and A. E. Dobie, Smiths Falls, secretary-treasurer.

* * *

Advertising of L. O. Grothe Ltd., Montreal, makers of Grads cigarettes, is now being directed by Vickers & Benson, Montreal.

* * *

C. H. Hale, editor of the Orillia Packet & Times, has been appointed to the vacancy on the Orillia Water, Light and Power Commission.

* * *

A. T. Leat, former advertising manager of R. T. Holman Ltd., Summerside, P.E.I., has been appointed to the advertising staff of the Robert Simpson Co., Toronto.

* * *

The new Ontario income tax will form the theme of a campaign on behalf of the Ontario government to run during April. Copy will feature the fact that returns are due April 30 and will give instructions to taxpayers. MacLaren Advertising Co., Toronto, are directing the campaign.

* * *

The Olympic Games scheduled for Berlin, Germany, August 1 to 16, are being featured in the current advertising of the German State Railways Canadian Information Bureau. A wide list of Canadian publications is carrying the advertising directed by A. McKim Ltd.

* * *

The newly-opened Toronto office of the Benison Co. has been appointed to handle advertising for Burns Bros. & Co., Toronto financial house, and for Renfrew Electric and Renfrew Refrigerators.

* * *

The 35th anniversary of J. J. Gibbons Ltd., celebrated in January this year, was featured again in a full-page appearing in one Toronto and one Montreal daily this week. Copy traced the growth of the agency and pictures of the personnel were featured in a layout designed to represent a birthday cake.

* * *

Growth in membership in the Canadian Weekly Newspapers' Association was cited as indicating the improvement in business conditions throughout Canada by C. V. Charters, managing director of the association, in reporting to the semi-annual meeting of the board of directors in Ottawa last week.

* * *

Norris-Patterson Ltd., Toronto, have been appointed by G. H. Wood & Co. to direct advertising for the firm's line of liquid soaps and chemical products.

* * *

Increased advertising activity for 1936 by Foster-Wheeler Ltd. includes full pages in Canadian trade and technical papers. The campaign features the company's line of steam generating equipment and is being directed by A. McKim Ltd.

* * *

Close to $45,000 will be sent by the city of Vancouver on advertising its Golden Jubilee celebrations. Dailies and national magazines will carry space and a poster and direct mail campaign are under way.

* * *

Lt.-Col. H. A. Moore, London, England, manager for J. J. Gibbons Ltd., is expected in Canada next week. H. M. Reid, Montreal manager for the same agency has left for a holiday in the West Indies.

* * *

Thirty inches of advertising space is being used in American papers to good effect by Hiram Walker's to tell in animated fashion that patrons can "thank the tariff revision for the new low price $2.09 a point) of Canadian Club Whisky."

Newsprint Use Governs Free Entry Into States

From Our Own Correspondent

MONTREAL.—The use to which newsprint is put, rather than its weight, governs whether or not it can be imported duty free into U. S., according to a ruling handed down by the New York court.

Under the Tariff Act of 1930, and rulings issued by the Treasury Department, standard newsprint was defined as paper weighing 30 to 35 pounds to each 500 sheets 24 by 36 inches.

When the Christian Science Monitor imported newsprint paper weighing 1.22 pounds a ream more than the limit specified by the Treasury Department, the government wanted to charge duty. An appeal was made to the courts and the ruling given favored the importers.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.50	$6.65	$7.50
Hogs	9.15	9.25	8.85
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1170	.1146	.1130
Rubber lb.	.1591	.1606	.1112
Sugar, raw, lb.	.0360	.0355	.0315
Silk, lb.	1.79	1.72	1.35
Wheat (Man.) bus.	.81⅝	.81¼	.83⅜
Coffee, lb.	.06¼	.06¼	.07¼
Weekly Indices			
N. Y. Annalist	125.3	125.3	123.0
Fishers'	82.6	82.5	80.6
N. Y. Journal of Comm.	79.0	79.3	78.3
Crumps (Brit.)	68.3	68.4	62.[illegible]
U. S. Labor	79.2	79.7	79.4
Canada (D.B.S.)	72.4	72.5	71.9

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Feb.)	80.4	80.7	78.[illegible]
W'sale (Feb.)	72.5	72.9	71.[illegible]
U. S. Labor (Jan.)	84.4	84.6	82.[illegible]
Gt. Brit. (Jan.)	77.2	77.3	72.[illegible]

Note: Indices on all base 1926 = 100. British index is Economist converted to 1929 base, U. S. 1929 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Background of Business

Western Grocers Enters General Store Business

Sixteen-page Catalogue Insert Offers Wide Range of Merchandise — New Agreement With France

Extension of Western Grocers Ltd. into the clothing and general store field is seen in the issue recently by that company of a catalogue carrying a stitched-in colored insert showing 16 pages of such lines as men's furnishings, shirts and overalls, mitts, gloves, leather and rubber footwear, smallwares and notions, hosiery, a limited range of piece goods, and other staple lines usually handled only by dry goods and men's wear houses.

According to the Edmonton correspondent of Men's Wear Merchandising, this rather startling innovation by a firm that for 23 years has been recognized as a leading grocery concern is significant of the changes that have taken place in western country trade during the last decade or so.

* * *

Reasons for Plan

Reason for the new development is said to be that with the replacement of the horse and buggy by the automobile and the advent of better roads, farmers have taken to buying their dry goods and wearing apparel principally in the cities and larger towns, and it has been getting increasingly difficult for the general stores in the small towns and villages to get much of this trade, particularly since conditions forced them to a cash basis—or to carry adequate stock in these lines. In addition, the cost of doing business is said to be unnecessarily high.

Western Grocers are reported to have no travelling salesmen for their new department. Orders in the new lines are taken by the same men who sell groceries and fruit, or are mailed in by their customers like most of their grocery business. Selling expense, it is claimed, is therefore reduced to a minimum, as also is the credit risk problem. The new department is in charge of Thomas Hawkins.

* * *

New French Tariff

Vacuum cleaners, porcelain insulators and electric heating apparatus are accorded new quotas for the first half of 1936 under terms of a new protocol entered into between France and Canada last week. Canada is also accorded the benefit of the French minimum tariff on selenium, needles for knitting machines, hair pins and outboard motors.

In return for these and some other concessions, France and French colonies obtain a reduction in the duty of $10 per gallon on rum to $7, which is $2 above the British preferential rate of $5 per gallon.

Another concession to France is cigarette paper, formerly dutiable at 20¼ per cent, now cut to 15¾. This rate applies to paper in rolls. For paper in tubes, booklets or packets, the former rate of 27.6 per cent is reduced to 22.75 per cent. The British preference rate on these items since the budget of last year is 10 per cent and 17½ per cent respectively.

* * *

Quebec's Highways

An average increase in Quebec tourist revenues in 1935 of 25 per cent, bringing the figure in certain places back to that of 1929 is reported by Hon. P. O. Cote, Quebec Minister of Roads, in his annual report.

The minister also reports the province now has 17,654 miles of improved road, of which 5,578 are first class roads, 6,400 second class and 5,465 third class. Of the total, about 15,000 miles are gravel road, 234 miles bituminous Macadam, 155 miles cement concrete and 715 miles bituminous concrete. On a percentage basis 97 per cent of first class roads in the province are improved, 72 per cent of 2nd class roads, and 27 per cent of 3rd class roads.

* * *

Tea Restrictions

Word came through recently that tea prices at Vancouver had been raised three cents by wholesale merchants.

Eastern Canadian markets report no specific advance except that prices have been gradually higher for packaged tea for the past two years. The increases have been made gradually on bulk products, with occasional adjustments in packaged prices to bring quotations into line.

The chief reason behind the increase has been the export restrictions put into effect by 4 tea-producing countries (India, Ceylon, Java and Sumatra). The 1936 exports are limited to 82½ per cent of the amount exported in the base years (1930-1931). This is the same quota that prevailed in 1935.

* * *

Drugs for Relief

Since March 1, the Ontario Druggists' Association has been working on a plan whereby prescriptions for persons on relief are put up by the druggist and not the doctor.

Previously, dispensers of drugs have not been recognized in relief distributions, and have had to be content with whatever the doctor might give them. The new plan is that the business of dispensing be kept in the drug store with the municipalities allocating money to the Druggists' Association through which it is distributed to druggists who have accepted the plan.

* * *

How To Do It

Unethical practices are also to the fore at Victoria these days. Recently a committee of Retail Merchants Association met the B. C. provincial cabinet to urge that a stop be put to such business abuses as "direct wholesale-consumer selling, unethical advertising and sales methods by amendment to the municipal act."

"We don't want government control," said J. M. Watson, president of the R.M.A., "but we need some power to keep those fellows in line who will not play fair."

* * *

Tobacco's Share

Out of every dollar collected from the people of Canada by the Federal treasury in the form of taxes 12 cents is contributed by the tobacco industry, according to Bernard W. Tingle, director of Imperial Tobacco Co. of Canada.

Mr. Tingle's figures were based on the fiscal year ending Mar. 31, 1935, when approximately $40 millions representing 12 per cent of total revenue was provided by the tobacco industry.

"You see therefore that tobacco not only provides the smoker with the present antidote to the worries of life, but it also assists the thorny path of the non-smoker by making his tax payments less. Tobacco is truly the beneficent weed."

* * *

World Trade Gains

A small improvement in world trade during 1935 is indicated by compilation of figures from 24 countries representing 75 per cent of total world trade. Imports into these countries last year totalled $15.5 billions—a gain of 3.9 per cent, while domestic exports totalled $13.7 billions—a gain of 4.5 per cent. Sixteen countries show gains in imports, and 15 in exports. Nine of the 24 had favorable trade balances in 1934, and 11 in 1935.

Canada dropped to sixth position in value of world trade, as compared with fifth place the previous year. She was fifth in total exports and ninth in value of imports.

On the basis of Canada's trade improvement during the year, nine countries showed a larger percentage increase in imports, and four showed greater percentage increase in exports. The gain for Canada was 6.1 per cent in imports and 11.6 per cent in exports.

* * *

Car of the Future

Speaking to Canadian Automotive engineers at Toronto recently, William B. Stout, much-publicized designer and manufacturer from Detroit, prophesied that the weight of the future motor car will be reduced to one-third the present amount, and that the cars will be able to stand three times the strain they do now. The weight of the engine alone will be reduced to about 2½ lb. per h.p., whereas the weight now stands at about 10 lb.

Mr. Stout is the manufacturer of the "Scarab" car with engine in the rear which he pioneered a year or two ago.

* * *

Wholesalers' Profits

The percentage of gross margin to net sales for selected kinds of wholesale trade in Canada in 1934 is shown in a special bulletin published recently by the Dominion Bureau of Statistics.

Profit margins range from 8.5 per cent in the case of bulk shippers of coal and coke to a high point of 34.2 per cent in the case of firms handling commercial equipment and supplies. Gross margin for petroleum and petroleum products firms averaged 26.5 per cent, while grocery firms showed a 9.7 per cent margin.

Hardware Sales Up 6 Per Cent

Heavier Volume Expected for 1936, Says Trade Paper Survey

A net average increase of 6.12 per cent in sales during 1935 is reported in the annual survey conducted by Hardware and Metal, Toronto, among hardware dealers across Canada. This corresponds with an increase in 1934 as reported by the same paper of 13.4 per cent.

On the basis of index numbers, the survey shows that on the basis of 1923 volume as 100, sales volume in 1935 rose to almost 83 per cent, compared with a low of 68.6 per cent in 1933 and a high mark of 122 in the years 1927, 1928 and 1929.

Eastern Areas Best

Analyzed by territories, the survey finds the eastern territory comprising Quebec and Maritime provinces with the highest increase in sales—namely, 8.8 per cent. Ontario sales gained 7.2 per cent, and in western Canada the average increase was 5.1 per cent.

Analysis of inventory conducted at the same time showed the value of stocks in retail hardware stores has not increased to any great extent during the year. The average increase reported was 3 per cent on a value basis over 1934 figures.

Cautious But Confident

"Dealers are still exercising great care in their forward purchasing," finds the survey, "as is evidenced by the large number of small orders still being received by wholesalers and manufacturers. Wholesalers report this year that there seems to be greater confidence in purchasing for the spring season, and they feel that this is evidence of preparation to take care of a heavier volume of business in most hardware stores during 1936."

In the Maritimes, average inventory valuation rose 7.6 per cent. In Ontario the increase was 1.5, and in the West 2.5.

A close check is still being kept on overhead by dealers reporting in the survey, and with an increased volume of business the average overhead is down from 25.3 per cent of sales in 1934, to 24 per cent in 1935.

1866 — 1936

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Security Engravers to Canadian Finance and Industry since 1866.

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CHARLES G. COWAN, Vice-Pres. & Man. Dir. — G. HAROLD BURLAND, Sec.-Treas.

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262 Wellington Street

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O'Keefe's
FINE BEVERAGES
Since 1846

"QUARTERLY QUOTATIONS"

The April edition of our *Quarterly Quotations* is now available, showing the current market prices of a comprehensive list of government, provincial, municipal, public utility and industrial bonds.

A copy will be gladly furnished upon request.

VANCOUVER, OTTAWA, QUEBEC, SAINT JOHN, MONCTON, HALIFAX, FREDERICTON, CAMPBELLTON, CHARLOTTETOWN

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235 St. James Street, Montreal — 80 King Street West, Toronto

"Know the Truth, and the Truth Will Make You Free!"

THE above statement is as applicable today as it was 2,000 years ago.

Then, heads of business had only a few employes and could personally superintend each man's work, each operation, and watch each item of expense.

Today, businesses have expanded — have become departmentalized — and have outgrown the possibilities of one man supervision. No manager can personally supervise the many items of expense which is his daily responsibility.

Expense leaks are the chief worries of management today. Stop these leaks! Leaks are profits seeping away. But where are the leaks? The average manager is too close to his organization to find the money leaks. Money leaks oftentimes mean the difference between losses and profits.

The George S. May Company is an organization of specialists trained to find and stop expense leaks. It will tell you the Truth about how, why, and where your money goes.

KNOW THE TRUTH ABOUT YOUR EXPENSES AND BE FREE FROM COST WORRIES.

Write for free explanation about how to stop expense leaks and how you can keep them stopped.

GEORGE S. MAY, LIMITED

18 Toronto St., Toronto, Ont.

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SEATTLE: *747 Dexter Horton Bldg.* — HUGO, OKLA.: *P. O. Box 43*

Major Distributors Advance As Power Consumption Grows

Progress of a Decade 1926—1935

Barcelona Traction L. & P.

†Kilowatts connected.
(1) $50 par value.
(2) Capital reorganization March, 1930—1 no par value share for each old one; also 6 new shares of no par common for each old preferred.
(3) Paid on new shares.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	310,153†	530,295	280,361	2,631	$66,324,018	$25,193,400	$14,362,500 (1)	$4,030,090	$2,049,448	....	$ 54,373	$....	$...	39¾	26		1926
1927	321,711	578,222	297,547	5,583	65,717,225	25,193,400	14,362,500	4,765,521	2,054,491	....	280,696	1.99	1.00	68⅛	33½		1927
1928	336,872	620,174	314,357	8,128	67,852,965	25,193,400	14,362,500	4,812,137	1,918,205	....	492,268	1.26	1.00	78	56		1928
1929	368,503	718,249	334,251	9,813	66,762,394	25,193,400	14,362,500	4,832,369	1,728,454	....	889,565	1.44	.50	65	47½		1929
1930	377,894	743,516	354,593	10,546	70,808,031	None	1,798,854 (2)	4,596,951	1,638,333	....	2,022,168 (2)	1.12	1.00 (3)	30	21 (2)	None	1930
1931	387,204	758,414	370,579	11,186	70,089,296	None	1,798,854	3,228,074	1,567,770	....	1,460,361	0.81	.50	24	8½		1931
1932	396,942	769,906	383,578	11,550	71,647,899	None	1,798,854	2,943,319	1,400,757	....	1,310,292	0.73	...	10¼	10¼		1932
1933	412,566	758,554	409,949	11,833	73,716,540	None	1,798,854	4,527,741	1,835,182	....	2,484,419	1.38	...	17	10		1933
1934	435,000	790,056	422,820	12,144	71,575,982	None	1,798,854	5,070,560	1,713,419	....	2,797,696	1.56	.50	16¾	15		1934

Brazilian Traction L. & P.

†Kilowatts.
(1) $100 par value.
(2) New stock no par value—4 new for 1 old.
(3) Plus sinking fund reserves.
(Also operates tramway and telephone and water systems).

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	240,400†	526,317	201,620	49,535	$67,692,606	$10,000,000	$1,093,092 (1)	$38,602,891	$4,084,242	$5,823,622 (3)	$11,145,397	$10.45	$5.00	122	80	....	1926
1927	275,450	629,558	230,721	54,241	67,347,146	7,279,100	5,483,278 (2)	38,319,989	3,889,853	6,156,699	11,418,391	10.45	6.00	234⅞	102½	1 for 5 at $100 (Old Stock)	1927
1928	295,112	721,436	261,028	59,577	65,260,274	764,400	5,483,278	42,774,813	3,801,295	6,829,974	14,067,213	10.24 (1) / 2.58 (2)	3.50 (1) / .88 (2)	257 (1) / 78 (2)	195 (1) / 50 (2)	1 for 1 at $40	1928
1929	318,452	816,557	301,196	70,479	60,184,201	417,500	6,295,385	49,351,215	3,787,334	7,362,991	16,861,097	2.67	2.00	82	30		1929
1930	317,807	791,520	317,494	74,979	59,808,622	393,400	6,490,046	46,898,444	3,588,938	7,745,594	16,025,339	2.50	3% stock $1.50	55¼	19½	....	1930
1931	317,717	797,832	331,415	74,509	59,456,548	393,400	6,754,625	34,896,767	3,171,373	7,850,999	9,389,103	1.39	50c+4% in stock	28½	7⅞	....	1931
1932	317,599	821,164	848,783	78,432	59,087,457	393,400	7,027,660	29,358,420	2,967,477	7,624,905	5,239,469	0.742	25c+4% in stock	14¾	7¾	....	1932
1933	317,739	903,467	366,094	83,208	58,701,127	393,400	7,027,655	28,469,704	3,335,902	7,720,803	3,428,954	0.48	Nil	19	7	....	1933
1934	321,484	1,013,977	387,808	89,042	58,298,849	393,400	7,027,856	30,692,415	3,435,104	8,067,847	3,635,499	0.51	Nil	14⅜	7½	....	1934

B. C. Power

(Also operate tramways).
(1) Underlying bonds=$33,804,750. Underlying stocks=$12,142,075.
(2) Underlying bonds=$25,004,716. Underlying stocks=$11,984,000.
(3) Underlying bonds=$24,849,092. Underlying stocks=$11,984,000.
(4) Underlying bonds=$24,834,699. Underlying stocks=$11,984,000.
(5) Underlying bonds=$24,798,519. Underlying stocks=$11,984,000.
(6) Includes bond discount, exchange and underlying stock dividends.
(7) Now paying $1.60 a share.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	212,200	228,947	89,270	33,158	....	(Control of B. C. Electric secured by B. C. Power early in 1928)											1926
1927	212,200	263,720	94,611	36,484	....												1927
1928	212,200	290,405	100,337	41,114	....		$1,000,000 "A" 1,000,000 "B"						$... / ...	61-A / 45½-B	48½-A / 21½-B		1928
1929	214,160	342,627	105,908	45,163	.... (1)			$14,681,263	$1,983,416 (6)	$1,825,468	$2,632,980-A / 632,980-B	2.63-A / .63-B	2.00-A	60-A / 40-B	35-A / 18-B		1929
1930	261,160	351,047	110,436	48,037	$10,000,000	None	No Change	15,414,341	2,101,713 (6)	1,877,030	2,188,194-A / 188,194-B	2.10-A / .19-B	2.00-A	45½-A / 26½-B	32-A / 10½-B	None	1930
1931	279,160	372,282	118,267	50,697	14,000,000		"	15,119,946	2,585,742 (6)	1,870,965	2,436,816-A / 436,816-B	2.22-A / .22-B	2.00-A	42½-A / 18-B	26-A / 7-B		1931
1932	279,160	346,549	121,169	50,728	14,000,000 (2)		"	14,356,842	2,510,499 (6)	1,869,804	2,009,340-A / 9,340-B	2.00-A / .005-B	2.00-A	28-A / 7½-B	15-A / 3¾-B		1932
1933	279,160	324,085	122,298	49,269	14,000,000 (3)		"	12,825,554	2,499,118 (6)	1,827,104	1,537,148-A	1.54-A	2.00-A	28-A / 6¾-B	14-A / 3-B		1933
1934	280,380	324,156	123,368	47,841	14,000,000 (4)		"	12,626,674	2,571,771 (6)	1,825,202	1,645,430-A	1.65-A	1.62-A	32⅞-A / 8½-B	28-A / 4-B		1934
1935	280,380	341,489	126,092	.....	13,909,000 (5)		"	13,030,091	1,833,224	1,844,219	1,685,074-A	1.69-A	1.50-A (7)	30½-A / 5-B	25-A / 2-B		1935

Calgary Power

(1) London, Eng., prices.
(2) Steam (leased) additional.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	32,000	70,475	.....		$2,768,647	....	$1,900,000	$ 450,961	$ 139,508	$ 50,000	$125,427	$6.60	$...	52½ (1)	51	....	1926
1927	32,000	78,638	.....		2,728,740	....	1,900,000	496,583	137,472	60,000	129,594	6.82	1.25	100	50	....	1927
1928	32,000 / 18,000 (2)	100,199	.....		2,710,338	$2,500,000	2,500,000	966,147	168,949	93,109	226,197	9.05	5.00	170	100	1 for 10 at $100	1928
1929	70,000	123,319	.....	None	2,661,560	4,600,000	2,500,000	1,506,913	135,682	150,000	288,628	11.55	5.00	180	165	2 for 5 at $100	1929
1930	70,000	136,794	.....		10,000,000	6,000,000	3,500,000	1,850,290	364,916	165,000	326,774	9.34	6.00	198	150	....	1930
1931	70,000	156,521	17,803		10,000,000	6,000,000	3,500,000	2,082,248	542,959	165,000	214,262	6.12	6.00	125	120	....	1931
1932	70,000	145,761	.....		10,000,000	6,000,000	3,500,000	2,153,735	571,031	175,000	272,089	7.77	6.00	—No Sales—		....	1932
1933	70,000	134,925	.....		10,000,000	6,000,000	3,500,000	2,276,206	682,191	200,000	265,318	7.58	6.00	—No Sales—		....	1933
1934	70,000	141,723	17,206		12,000,000	6,000,000	3,500,000	2,245,022	603,862	225,000	308,487	8.81	6.00	—No Sales—		....	1934

Canada Northern Power

(1) 5 new shares for 1 old share of no par value.
(2) Two quarterly dividends.
(3) Buys power from Ontario Hydro.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	73,000	224,683	7,510		$14,826,500	$4,607,200	$ 50,000	$2,562,185	$ 823,355	$ 425,000	$538,739	$ .77	$...	43	27	....	1926
1927	73,000	259,603	8,742		14,627,000	5,000,000	50,000	2,812,514	898,337	476,000	84,334	1.68	...	75	51	....	1927
1928	93,000	343,930	9,524		15,000,000	5,154,900	75,000	3,088,529	787,034	558,767	372,849	4.97	...	100	70½	1 for 4 at $50	1928
1929	93,000	347,827	9,980	None	15,000,000	5,154,900	375,000 (1)	3,116,597	820,018	600,000	265,572	.71 (1)	.30 (2)	35½ (1)	18 (1)	....	1929
1930	105,000	367,130	10,337		17,000,000	5,500,000	375,000	3,181,504	810,769	600,000	215,312	.31	.60	21	14	....	1930
1931	106,840	418,227	11,407		17,000,000	5,500,000	375,000	3,341,964	902,302	600,000	284,573	.76	.80	25½	15½	....	1931
1932	106,840	441,150	12,516		17,000,000	5,500,000	375,000	3,456,771	960,189	600,000	340,677	.91	.80	17	9	....	1932
1933	106,840 (3)	474,553	13,530		16,778,500	5,500,000	400,000	3,690,284	934,561	720,000	447,682	1.12	.90	18	12	....	1933
1934	106,840	531,464	14,622		16,561,500	5,500,000	400,000	4,166,303	840,885	720,000	669,010	1.67	1.00	22½	16¼	....	1934
1935	106,840	577,267	15,734		16,363,500	5,500,000	400,000	4,418,488	824,285	720,000	746,465	1.87	1.20	22¼	17½	....	1935

Canadian Hydro-Electric

†Funded debt and advances—Subsidiaries only.
(1) Minority stock interest—$349,600.
(2) Minority stock interest—$199,600.
(3) Not segregated.
(4) Minority stock interest—$75,500.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1927	......	......	.....		$59,056,407†	$37,500,000 (1)	$5,000,000				$......	$...	$...	(All common stock owned by Inter. Hydro-Electric System)			1927
1928	......	1,294,961	.....		73,773,788	37,500,000 (2)	5,000,000	$4,367,393	$2,272,811	$ 297,427	......	...	...				1928
1929	622,600	2,097,793	.....	None	82,907,455	37,500,000 (2)	5,000,000	6,855,777	4,027,915	406,861	......	...	...				1929
1930	645,519	2,534,522	.....		81,932,322	37,500,000 (2)	1,000,000 sh.	8,513,408	4,321,762	(3)	......	...	...			None	1930
1931	679,519	2,423,055	.....		89,754,211	37,500,000	1,000,000 sh.	9,311,639	4,602,425	594,123	......	0.05	0.50				1931
1932	679,519	2,557,413	.....		89,047,000	37,500,000	1,000,000 sh.	9,889,769	4,674,987	637,384	......	0.48	...				1932
1933	679,519	2,698,984	.....		88,321,589	37,500,000 (4)	1,000,000 sh.	9,533,083	4,628,125	648,961	......	0.24	0.50				1933
1934	679,519	2,765,245	.....		87,539,766	37,500,000	1,000,000 sh.	9,360,974	4,586,803	650,320	......	0.15	0.50				1934

Montreal Light, Heat & Power

(1) New stock—3 for 1 split—$100 to n.p.v.
(2) New stock—2 for 1 split.
(3) New stock.
(4) Now on $1.50 basis.
(5) Bonus preferred—issued in July—redeemed November.
(6) Buys large blocks of power from Shawinigan and others (360,000 h.p.)
(7) Not including subsidiaries.
(8) Since reduced to $40,000,000.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	282,400 (6)	1,251,502	196,992	153,506	$30,000,000 (7)	$32,863,950 (5)	$1,941,837 (1)	$18,907,382	$1,611,121	$1,890,738	$7,082,567	$3.46 (1)	$6.00 / .83⅓ (3)	240 / 75 (1)	209½ / 61 (1)	....	1926
1927	282,400	1,354,895	207,360	162,349	29,780,000	....	2,041,837	20,314,902	2,922,913	2,031,490	6,893,094	3.36	2.00	96½	68	....	1927
1928	282,400	1,450,485	219,501	173,598	29,549,000	....	2,041,837	21,235,991	2,928,516	2,123,599	7,866,462	3.85	2.40	120	89	....	1928
1929	282,400	1,568,864	231,172	184,629	29,306,000	....	2,041,837	22,286,284	2,803,409	2,228,628	8,737,638	4.28	2.40	180	98	....	1929
1930	282,400	1,650,626	240,965	191,879	34,051,000	....	4,083,674 (2)	23,484,079	3,138,600	2,348,407	8,943,584	2.19 (2)	.60 / 1.12 (4)	162 / 68¾ (3)	121 / 52½ (3)	1 for 10 at $50	1930
1931	325,425	1,557,930	254,250	197,885	33,777,000	....	4,492,042	25,410,776	3,502,295	2,541,078	9,766,921	2.17	1.50	68¼	38	....	1931
1932	325,425	1,249,313	264,068	197,470	63,197,650	....	4,488,925	24,783,066	4,021,933	2,478,306	8,752,530	1.96	1.50	39¼	20⅛	....	1932
1933	325,425	1,243,333	260,351	194,813	65,676,300	....	4,488,993	23,766,431	3,886,576	2,376,643	8,063,267	1.80	1.50	42¼	26⅛	....	1933
1934	325,425	1,416,476	265,534	195,757	65,963,600	....	4,489,001	24,273,719	3,658,782	2,427,372	7,985,218	1.78	1.50	39½	26¾	....	1934
1935	325,425	1,447,419	266,744	196,170	54,438,550 (8)	....	4,489,004	24,100,511	3,372,407	2,410,051	7,842,322	1.75	1.50	36¾	26¾	....	1935

Nova Scotia Light & Power

(1) Reorganization: 1 new no par value common for 10 old $100 shares and 1.54 shares new common for each preferred held.
†Arrangements for power supply with Avon River Power and N. S. Power Commission.
(Also operates tramways).
(2) Not available.
(3) Increased in 1935.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	8,310†	22,157	10,379	Unreported	$3,701,000	$2,078,800	$2,510,000	$1,438,903	$ 216,214	$ 169,186	$ 33,217	$...	$...	Not Listed		....	1926
1927	8,310	23,903	10,737	"	3,682,000	2,078,800	2,510,000	1,472,664	214,976	137,373	68,476	...	...			....	1927
1928	8,310	27,464	.....	"	3,500,000	750,000	34,523 (1)	1,642,385	193,767	175,000	182,073	4.62	...	...	...	....	1928
1929	8,310	30,999	12,234	"	3,500,000	750,000	34,523	1,819,322	178,434	175,000	243,029	5.74	1.00	...	...	....	1929
1930	8,310	35,007	11,362	3,223	4,310,500	1,250,000	34,523	1,879,522	220,019	135,000	205,008	5.95	4.00	...	...	1 preferred for 8 shs. held at 97%	1930
1931	8,310	36,761	12,255	(2)	4,264,500	1,250,000	34,523	1,895,866	239,757	135,000	130,296	3.77	4.00	...	...	....	1931
1932	8,310	36,803	12,444	(2)	4,264,500	1,250,000	34,523	1,850,040	262,471	135,000	124,489	3.61	4.00	...	...	....	1932
1933	8,310	36,751	12,564	(2)	4,225,000	1,250,000	34,523	1,747,755	247,475	135,000	136,001	3.94	3.25	...	...	....	1933
1934	8,310	39,884	13,011	(3)	4,281,500 (3)	1,250,000 (3)	34,523	1,815,938	222,174	135,000	157,000	4.55	3.00	...	...	....	1934

Ottawa Light, Heat & Power

†Purchases 15,000 h.p. and surplus power from other producers.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	19,300†	.....	.....	......	$2,157,000	$1,500,000	$3,500,000	$1,854,383	$ 142,375	$ 105,284	$255,545	$7.30	$6.00	100¼	95½		1926
1927	19,300	.....	.....	......	4,000,000	1,500,000	3,500,000	1,920,942	138,465	130,000	265,747	7.59	6.00	141¼	99		1927
1928	19,300	.....	.....	......	3,968,000	1,500,000	3,500,000	2,035,184	202,569	100,000	213,938	6.11	6.00	136	120		1928
1929	19,300	.....	.....	......	3,934,000	1,500,000	3,500,000	2,165,328	208,501	135,000	223,747	6.39	6.00	120	89		1929
1930	19,300	.....	.....	18,000	3,899,000	1,500,000	3,500,000	2,212,886	196,281	135,000	231,093	6.60	6.00	101⅛	87	None	1930
1931	24,300	.....	.....	......	4,851,500	1,500,000	3,500,000	2,290,813	220,811	135,000	231,739	6.62	6.00	98	92		1931
1932	24,300	.....	.....	......	4,800,000	1,500,000	3,500,000	2,284,044	275,023	135,000	192,655	5.50	6.00	100	87		1932
1933	24,300	.....	.....	......	4,841,000	1,500,000	3,500,000	2,169,776	265,289	165,000	135,059	3.86	6.00	92	80		1933
1934	24,300	.....	.....	......	4,777,500	1,500,000	3,500,000	2,184,409	241,204	170,000	178,099	5.06	6.00	92	75		1934
1935	24,300	(Not Available)			4,712,500	1,500,000	3,500,000	Not Reported	237,313	170,000	199,279	5.69	6.00	89⅛	74		1935

Quebec Power

(1) Changed from $100 to no par value, 4 new shares for 1 old.
†Buys large block from Shawinigan.
(Also operates tramways).

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	.....†	79,171	32,650	8,650	$5,000,000	$3,592,400	$4,026,350	$1,238,302	$ 300,000	$ 100,000	$315,802	$7.48	$5.50	200	113		1926
1927		109,788	34,284	9,212	5,000,000	....	400,000 (1) / 10,000,000	1,572,230	300,000	100,000	856,227	2.14 (1)	5.50 / .50 (1)	88½ (1) / 312	72 (1) / 190		1927
1928	.....	163,359	39,024	9,963	12,000,000	....	502,877	3,198,487	511,774	100,000	1,199,724	2.39	2.00	115	68½		1928
1929	43,325	164,878	40,683	10,275	12,000,000	....	553,198	3,543,795	588,252	150,000	1,502,527	2.72	2.25	99	53		1929
1930	43,325	153,622	42,497	10,854	11,881,000	....	553,198	3,677,103	600,000	150,000	1,630,999	2.95	2.50	70½	40	None	1930
1931	43,350	148,079	44,361	11,280	11,881,000	....	553,198	3,392,826	613,677	150,000	1,241,123	2.24	2.37½	49	27		1931
1932	43,350	127,788	45,267	11,305	11,735,632	....	553,198	3,109,298	611,268	250,000	1,003,960	1.82	1.38	27	9¼		1932
1933	43,350	120,991	45,622	10,767	11,735,635	....	553,198	2,825,562	586,781	250,000	750,882	1.36	1.00	24	11		1933
1934	43,350	169,362	46,210	10,546	12,170,633	....	553,198	2,832,980	608,531	350,000	673,182	1.22	1.00	20	15		1934
1935	43,350	169,864	46,884	10,503	12,170,633	....	553,198	2,730,611	608,532	350,000	593,780	1.07	1.00	17½	13		1935

Shawinigan Water & Power

(1) Old $100 par value shares split 1 for 4 shares of no par value.
†Buys 100,000 h.p. from Duke-Price Power; 10,000 h.p. from Southern Canada Power.
(Primarily wholesaler).

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	.....†	2,468,650	.....		$26,129,500		$1,100,000 (1)	$7,660,208	$1,459,744	$ 350,000	$2,607,324	$9.30	$8.00	275½	167½	1 for 10 at $150	1926
1927	584,000	3,021,201	.....		35,000,000		1,200,000	9,362,828	1,637,493	400,000	2,894,782	2.41 (1)	2.00 (1)	277½ / 94¾ (1)	264 / 67 (1)	1 for 4 at $50 / 1 for 11 at $50	1927
1928	653,000	3,270,702			53,013,500		1,867,072	11,562,331	2,250,000	800,000	4,048,523	2.17	2.00	109¾	75½	1 for 10 s'k bon.	1928
1929	693,600	3,726,436			58,974,000	None	2,178,250	13,475,862	2,857,754	800,000	5,107,797	2.34	2.12½	107½	68¾	1 for 6 at $50	1929
1930	718,625	3,528,538	103,000	None	85,215,000		2,178,250	14,954,074	3,450,807	800,000	5,770,670	2.65	2.50	82⅛	47	....	1930
1931	860,650	3,436,436	111,900		84,432,000		2,178,250	13,693,195	4,109,675	600,000	4,150,438	1.91	2.25	59½	32½	....	1931
1932	860,650	3,266,815	112,000		88,388,500		2,178,250	12,635,279	4,054,443	800,000	2,534,472	1.16	.75	33	7¼	....	1932
1933	860,650	3,901,772	120,000		88,788,500		2,178,250	11,945,863	3,813,127	1,100,000	1,843,044	0.85	.50	22¼	9¾	....	1933
1934	864,200	4,585,877	120,000		88,131,500		2,178,250	12,504,405	4,127,681	1,700,000	2,367,443	1.09	.50	24½	15¼	....	1934
1935	864,200	5,315,290	120,000		86,471,000		2,178,250	13,067,800	4,018,757	1,000,000	2,641,966	1.21	.52½	23	14	....	1935

Southern Canada Power

(1) No par value.
(2) Old stock split 4 for 1.
(3) Since reduced to 80 cents a share.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	57,600	122,218	20,065		$7,100,556	$4,865,100	$ 60,000 (1)	$1,389,131	$ 333,068	$ 138,900	$148,588	$2.47	$2.00	100	81¾	1 for 5 at $80	1926
1927	57,600	123,452	21,662		6,955,531	4,905,100	60,000	1,534,280	357,414	153,000	180,350	3.01	3.00	140	87	1 for 5 at $80	1927
1928	57,600	138,160	23,552		6,932,605	4,975,700	100,000	1,809,566	344,208	181,000	377,010	3.77	4.00	180	125		1928
1929	58,600	154,528	25,543	None	6,866,268	4,975,700	400,000 shs. (2)	2,095,912	342,977	209,590	493,253	1.23 (2)	1.00 (2)	64½ (2)	64½ (2)	....	1929
1930	60,800	170,685	26,594		6,841,367	5,884,600	400,000	2,257,421	341,461	225,770	486,386	1.22	1.00	37½	24	....	1930
1931	60,800	155,016	27,225		6,816,234	6,759,700	400,000	2,355,111	360,149	235,510	436,076	1.09	1.00	32	22¾	....	1931
1932	58,800	171,285	27,507		6,787,528	7,088,900	400,000	2,224,444	374,637	222,445	377,605	0.94	1.00	25	10	....	1932
1933	58,800	174,655	27,343		6,692,811	7,088,900	400,000	2,114,720	374,600	211,470	319,769	0.80	1.00 (3)	19½	9⅞	....	1933
1934	58,800	184,938	27,119		6,655,585	7,088,900	400,000	2,190,082	338,375	229,549	384,391	0.96	.80	16	10	....	1934
1935	58,800	202,895	26,487		6,471,000	7,088,900	400,000	2,141,042	333,339	224,934	302,092	0.75	.80	14½	9½	....	1935

Winnipeg Electric

(1) 1928—$100 par value stock changed to no par—share for share exchange.
(2) Dividend last paid Aug. 1, 1930.
(3) Not including subsidiaries.
†Has large resources through subsidiaries: Manitoba Power, 168,000 h.p.; North-western Power building, 225,000 h.p. plant. (Also operates tramways).
(4) Also guarantees principal and interest on $22,075,000 of bonds of subsidiaries, over $10,000,000 of which are in default.
Note: Company has been reorganized.

Year	Installed Horsepower Capacity	Output M.Kw.h.	Customers Electric	Customers Gas	Funded Debt	Preferred Stock	Common Stock	Gross Earnings	Interest Charges	Depreciation	Common Stock Earnings	Common Share Earnings	Common Stock Dividends	Common Share Price Range High	Low	Stock Rights	Year
1926	47,000†	168,702	23,301	19,773	$16,378,000 (3)	$3,000,000	$11,000,000	$2,269,205	$ 915,962	$ 201,050	$359,531	$3.18	$2.00	64	40½	....	1926
1927	47,000	185,568	25,286	19,613	16,380,000	4,156,900	15,000,000	2,498,287	937,159	201,050	452,055	3.02	2.00	104½	61	4 for 11 at $60	1927
1928	47,000	212,608	27,455	19,056	16,380,000	4,987,400	150,000 (1)	2,542,210	909,479	201,050	428,209	2.85	2.00	128¾	93	....	1928
1929	47,900	230,588	29,797	18,569	16,380,000	5,000,000	229,483	2,815,740	930,079	488,416	619,551	2.70	2.00	109½	45	1 for 3 at $60	1929
1930	47,000	221,592	31,323	17,977	16,380,000	5,000,000	241,934	2,431,915	951,290	515,345	222,808	.92	1.00 (2)	54	13¾	....	1930
1931	47,000	213,593	32,398	[illegible]	16,380,000 (4)	5,000,000	241,934	2,145,551	945,594	531,886	......	...	...	21½	4	....	1931
1932	47,000	227,075	33,335	[illegible]	16,380,000 (4)	5,000,000	244,772	2,095,662	1,017,951	546,876			...	8	2	....	1932
1933	47,000	227,306	34,003	16,882	16,380,000 (4)	5,000,000	244,772	1,908,935	998,385	546,081			...	5½	1¾	....	1933

(Subsequent reports not issued due to reorganization)

Note:—These figures are secured from reliable sources, but are not guaranteed.

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George Weston

Please outline the effects of the new issue of Geo. Weston preferred on the company and its common shares.

Issue of George Weston five per cent convertible preferred shares will be a substitute for seven per cent preferred and for some mortgages and bonds which are paying more than five per cent. This will therefore be of benefit to the company and its common shares. Ben E. Smith, New York stock market operator, is chairman of the board, and the company's share financing is naturally related to the stock market.

The company has always been able to pay the preferred dividends and the interest referred to on the securities which are now being retired. The net earnings in 1935 were four times the dividend requirements on the new preference shares. The company also earned in addition $1.11 a share on 375,882 no par value common shares. The company has paid dividends on its common stock throughout the depression.

National Steel Car

As a subscriber to The Financial Post, I would appreciate very much if you would let me have an opinion as to the current position of National Steel Car.

National Steel Car Co. is dependent upon the railways for business and, as you are probably aware, railway contracts have been limited in the last few years. However, a few months ago the Dominion Government advanced credit to the Canadian National and Canadian Pacific for new equipment. As a result orders were placed with the National Steel Car for different types of coaches. While this business is welcomed by the company, it is not expected earnings will permit the company to pay a dividend on its capital stock. In the year ended June 30, 1935, the company reported an operating loss of $228,201. It is difficult to say what will be the outcome for the current year but it is not expected that National Steel Car will do much better than break even.

B. C. Packers and War

Can you give me an idea of the probable effects of a European war on the operations of stock of B. C. Packers?

The only way in which one can judge of the effect on British Columbia Packers stock of a European war is to look back at what happened during the Great War.

In most of the war years there was expression of considerable optimism that war demand would improve the fortunes of the company materially. At times it undoubtedly did, but on the whole realities fell far short of expectations. Net profits from 1911 to 1918 were:

1911	$422,352	1915	$475,745
1912	437,493	1916	257,808
1913	429,568	1917	453,080
1914	435,360	1918	435,360

The price per case for Sockeye kept going up until 1920, when it reached a high of $20.50 per case.

Some disadvantages were felt by the company, such as the operations of German cruisers in the Pacific, a partial embargo for a time by the British Government against salmon and foreign fish, the high price of tin and the increasing prices for labor and for fish from fishermen. You can see a good deal would depend on who was at war and who controlled the seas.

Godfrey Realty

Can you give me any recent information on the position of Godfrey Realty bonds?

Godfrey Realty Corp. reports earnings for the year ending April 30 next will be about the same as for the previous year. In 1935, the company made a three per cent distribution to bondholders, and it is probable that the same amount will be paid in 1936. It does not appear that an increase in this rate will be possible in the near future. Rentals of the company continue to remain at a low level.

Hightower Oil

I hold Hightower Oil preferred and common stock bought through Bonded Corporation and would like to know more about it than I do. Can you tell me whether it is a good investment?

Bonded Corporation was in the oil royalty business before it began to sell the Hightower Oil and Refining Co. units. It is endeavoring to induce all holders of the former oil royalty certificates to exchange for Hightower units. It is very difficult to appraise the proposition because the company has not yet favored us with a financial statement. Its officers state they will furnish such a statement as soon as they have completely liquidated the oil royalty certificates.

They remark that they took this matter up with the Ontario Securities Commissioner, who states that the company has been under close supervision from the beginning. It is understood it obtained a refinery in Texas at a low price. What it may be earning there it is impossible to state in advance of a financial statement. The company has also invested money in the Rosedale Gold Mining Co. The mining engineer employed to look over the properties of this company states it is a good prospect.

Asbestos Corp.

Please let me have a brief report on the position of Asbestos Corp. general mortgage bonds.

Asbestos Corp. general mortgage bonds are payable only in Canadian funds. Further interest is payable only to the extent of net income available. Last year the company paid three per cent on these bonds, leaving arrears of nine per cent. During 1935 the company recorded considerable improvement in its position and for the first time in several years earnings were available on the capital stock.

Ford of Canada

I am anxiously awaiting news about results of Ford of Canada particularly as to when dividends will be paid and as to the earnings prospect. Can you inform me on these points? The sluggishness of the shares in comparison with U. S. motor stocks discourages me.

Ford of Canada increased sales and production greatly in 1935 but earnings did not expand proportionately. Tariff unsettlement may be a factor in causing postponement of dividends because it lends uncertainty to the earnings possibilities for 1936. Sales continue to expand and the company's financial position is highly liquid. Until the tariff situation can be appraised more accurately, however, the price of the shares may reflect uncertainty.

P. T. Legaré Co. Bonds

I own bonds of P. T. Legaré Co., Quebec merchandising firm, which is in bankruptcy. I have had no recent word on how the winding up is progressing and would like to know the probable outcome of this unsatisfactory affair.

We understand there is some possibility of a reorganization of P. T. Legaré Co. so as to take it out of receivership. Certain of the assets have been liquidated and the business is being carried on for the benefit of bondholders.

Your interests are being watched carefully because bondholders appear fairly well secured and are protected by the trustee-in-bankruptcy G. S. Currie, Montreal. There are hopes bondholders will eventually recover most of their investment and perhaps all of it. Hence the present price of 30 for the bonds does not represent the maximum possible recovery.

Harding Carpets

A friend of mine in Alabama tells me that Canadian stocks are attractive investments and is highly enthusiastic about Harding Carpets common. Can you tell me something of this company? Is his optimism justified?

Harding Carpets Ltd. has an outstanding capital of 170,000 common shares. Net profits in 1935 were $38,481, or 23 cents a share, compared with $43,574, or 26 cents a share in 1934. No dividends have been paid.

The company's earnings record is not particularly impressive. The 1934 and 1935 results are the best on record. The capital formerly included $750,000 of seven per cent preferred stock on which it was unable to earn dividends.

This year the company has had a satisfactory volume, but there has been some concern over the tariff outlook because the present Canadian Government is inclined to lower import duties. The company is apparently well managed and has a simple capital structure. We would say your friend may be justified in his opinion of Canadian stocks in general but that in the particular case there are important qualifications.

Mayor Building

Please give me any information you can on the current situation of Mayor Building with regard to bond interest.

Mayor Building is paying 4½ per cent interest on its bonds. The building is 86 per cent rented on a basis to cover all expenses and bond interest and leave about $4,000 over to apply on tax arrears. These arrears total about $21,000. Interest was cut from 6½ to 4½ per cent up to Nov. 1, 1937, to allow payment of arrears. This is gradually being done. Improvement in the situation depends largely on a greater demand for office space in Montreal and higher rentals.

Imperial Oil Earnings

What amount of Imperial Oil earnings is being derived from International Petroleum and of this what amount per share on Imperial Oil stock is from Pete surplus?

Imperial Oil net profit after all charges was 95.7 cents a share in 1934, and payment of dividends of $1.25 a share in 1935 reflects the increase in income largely due to higher payments by International Petroleum. Of 1935 earnings, Imperial got about 80 cents a share from dividends of International Pete, and of this amount, about 32 cents a share on Imperial Oil stock was from the Pete surplus.

International Petroleum is now paying $2.50 a share annually of which about $1 a share comes from its surplus. Buyers and backers of International Petroleum stock are hoping that the present dividends will eventually be entirely earned and meanwhile the surplus is sufficiently large to allow present payments to be continued for several years.

B. A. Oil Possibilities

I am thinking of buying a few shares of British American Oil Co. and would like to know something of the prospects for improvement in the situation.

British American Oil is paying 80 cents a share, giving a yield of about 3¼ per cent. Possibility of eventual increase in dividend is foreseen because earnings have been over $1 a share in Canada. Earnings are believed to be 20 to 30 cents a share on U. S. operations, although this does not appear in the annual report. The fact that the company has brought in eight producing oil wells around Oklahoma city shows there will probably be a major increase in revenue. Moreover there are possibilities of additional wells being brought in. Although the company has not supplied definite information on these American earnings, revenue from this source should grow, while the company has a stable source of earnings in its Canadian refining and marketing operations.

Rackets

New Cheque Racket

GRADUATING from the porch-climbing stage to a higher branch of their profession, mail-box thieves are now providing themselves with identification for purposes of cashing worthless cheques.

First step in the procedure is to filch electric light or gas bills from apartment house mail boxes. The crook takes one of these, for an amount of $1 or $2 to the office of the utility company and pays it, securing a receipted "paid in full" stamp on the stolen bill.

* * *

Profit of $20

ARMED with this evidence of "identification," and apparent credit standing, the racketeer then goes to a department store, purchases some article of furniture for delivery to the bill's address, at a price of perhaps $75.

He tenders a $95 or $100 cheque, with a forged endorsement of the householder from whom he has stolen the utility bill. The latter is produced for identification.

From that point on the scheme is obvious. The racketeer pockets the change from the "endorsed" cheque and is seen no more.

CORPORATION BONDS

Canadian Pacific Railway Company
3% Convertible Collateral Trust Bonds
Due 1 October, 1945
PRICE: 94.44 and interest to yield 3.70%

Shawinigan Water & Power Company
4% First Mortgage and Collateral Trust Bonds
Due 1 April, 1961
PRICE: 99.50 and interest to yield over 4.02%

Union Gas Company of Canada Limited
4½% First Mortgage Bonds
Due 1 December, 1950
PRICE: 98.00 and interest to yield 4.68%

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

The Woman Investor

Are Dividends Certain?

"THEY have no right to do that," exclaimed a woman investor, when directors of the company in which she holds a stock decided in 1932 to defer dividends to common shareholders.

That was during the depression, and she relied largely on her dividends for support. The action of the directors caused her serious financial embarrassment and it was only by the exercise of strict economy that she was able to make ends meet in 1934 and 1935.

Why, she asked, should the company's "financial resources" be conserved, when her own were in an even more precarious condition?

Dividend payments of the company have since been resumed, and the woman is probably blissfully unaware that if directors had not adopted the "conservation" policy when they did, she would now be without dividends or the hope of receiving any.

The plain truth is, of course, that women who depend on dividend income for their support are no more immune to depression conditions than anyone else. If directors decide to defer dividends there may be temporary, or even permanent loss to the woman investor, but her chances of again receiving dividends are nevertheless improved by the conservative policy of the management.

* * *

"Interim" Dividends

DIRECTORS of some English companies have power to declare only "interim" dividend payments, or those "on account" of the dividend for the year.

On ordinary or common shares, these "interim" dividends are usually at a much lower rate than the final or regular dividend. Under the English Companies Act, no dividends can be paid except out of profits arising from the company's business, although there are instances where companies have special charters, permitting payment of dividends out of earnings otherwise than from the company's own business operations.

For women particularly, these safeguards tend to assure stability of income, or if the worst comes, an accurate knowledge of their company's surplus position and the prospects for resumption of dividends on a sound basis.

In Canada the principle of the English system is sometimes reflected in the action of directors who, at the end of the fiscal year, may declare a "final" year-end dividend or bonus payment, unscheduled, but justified by earnings after year-end adjustments.

Simard Named Director Of Can. Northern Power

From Our Own Correspondent

MONTREAL. — At the annual meeting of Canada Northern Power Corp. the directors were re-elected with the addition of Joseph Simard, who was elected to fill a vacancy on the board. Mr. Simard is a well-known French Canadian business man, being head of Consolidated Marine and allied businesses.

MOVE QUEBEC QUARTERS

From Our Own Correspondent

MONTREAL.—Arrangements are being made by the Royal Trust Co. to move the Quebec City branch office from the present quarters to space in Price House. The lease will be signed shortly and the move made in the next few weeks.

Financial Analysis

Massey-Harris Ready For Increased Demand

Will Advance as Purchasing Power of Farmer Revives if Past History Is Criterion — Aggressive in Pushing Modernized Implements

In times gone by the best periods in which to buy Massey-Harris Co. securities have been when the company was losing money. Those who have lost most money on securities of this company have bought them when its business was mounting and its revenues buoyant.

More than most companies, the economic history of Massey-Harris Co. (and that of most large farm implement companies as well), alternates between times of deep depression and of abounding earnings. The depression starting in 1929 hit the company a walloping blow. On paper it had in 1929 a wonderful position. Thousands of farmers in every agricultural country were buying its machinery. It had $32 millions in inventory but not too large for the scale of business it was then doing.

Pressure from Ottawa

But farmers had overproduced and prices fell disastrously for most of them. Collections therefore were impossible in thousands of cases. The company has had in intervening years to write off and write off more and more of bad accounts, to write down more and more of former inventory. A mere trickle of demand for new implements reached it during those dark days.

But farm prices have now stiffened somewhat. Farmers are more in the market than they have been for years. Two years of advancing sales by Massey-Harris Co. gave greater hope still for 1936 and this hope has not been given an entire quietus because the agricultural committee of the House of Commons asked for an investigation of recent price advances by implement companies on lines of implements which had incorporated a number of new features. The prices were advanced after the conclusion of the Canadian-U. S. trade agreement and therefore lower duties had apparently not hurt the company's sales. In fact, sales were going up. But farmers have stopped buying awhile to see whether or not prices will drop in response to the pressure from Ottawa.

Taking it for granted that action at Ottawa will work out in fair play to the industry, what prospects can reasonably be expected by investors in securities of Massey-Harris Co.? Massey-Harris Co. 5 per cent bonds are selling at from 89 to 92 to yield about 5.6 per cent. The 5 per cent preferred stock has had a low of 34½ and a high of 40 in 1936 and the common stock has had a low of 5¾ and a high of 7½. The preferred is now selling at 37 and 38 and the common at 6¾.

Depends on Farmer's Purse

The company's earnings are improving and in 1935 it nearly earned bond interest after depreciation; the first time since 1929. The money now being paid for preferred and common shares when the company is still losing money is an earnest of how far past recoveries have impressed investors. The company has lost $30 millions during the depression, but its finances are still liquid. It has paid off the banks, and extricated itself successfully from one bad situation after another in different parts of the world. It has made a real forward movement in the last few years with improved implements. It showed great consideration for farmer debtors during the depression. Its prestige as a maker of implements is undiminished.

It all comes back to the farmer. Wheat has moved out of Canada recently in greater quantities than for years. It may within a measurable space of time, that is, this year or next, cease to be a drug on the market and assume its old importance as a greatly valued necessity. If it does, Massey-Harris sales will rise. If other sources of farm income prove greater, it will help the company because it makes implements for every phase of farm work.

How Much is Needed?

How much money does it need to earn to pay interest and dividends on all these securities and to make good arrears of sinking fund on bonds and dividends on preferred?

Using 1935 statement as basis the following table may be a useful guide to the investor as to what is required:

	$
Earnings needed to cover:	
Depreciation	500,000
Bond int. & exp.	460,376
Taxes, pension	153,000
Bad debts	500,000
Exch. & conting.	600,000
Total	2,213,376
Bond sinking fund	600,000
Needed yearly for bonds	2,813,376
Bond sinking fund arrears	1,800,000
Total for bonds	4,613,376
Earnings needed to cover: 5 per cent pfd. divs.	604,495
Total net needed	5,217,871
Total net after s.f. arrears paid	3,417,871
Div. arrears on pfd. 5¼ years	3,173,599
Total net needed 1936†	8,391,470
Total net needed when s.f. arrears paid	6,591,470
Earnings needed to cover: $1 per common share	729,409
Total net needed	9,120,879
Total net needed when all arrears paid	‡4,147,280

*These items in good times would be substantially reduced.
†To pay all arrears and pfd. dividends.
‡Anything over this would be promising for common.

The company earned $5.5 millions in 1929 available for all these purposes. With one year of such earnings now it could make good all sinking fund arrears and pay dividends on the preferred.

With two years of such earnings it could pay off all preferred arrears as well and pay $1 a share on common stock and all these payments would be conservative ones. After that it could maintain service on bonds and pay these rates with net earnings of $4.2 millions.

Cast an eye back over the past to see what sales totals have produced such earnings. Making allowance for operating and administrative economies made during the depression, the following table shows the possibility of trebled profits from doubled sales. (Compare 1926 and 1935 sales-profits totals):

Low and High Tide Years
(In Millions of Dollars)

	Sales	Operating profits (before bond service)
1924	20.1	1.1
1925	26.0	2.3
1926	29.3	3.0
1927	33.2	3.9
1928 Peak profits	37.4	5.5
1929 Peak sales	43.7	5.5
1930	37.3	1.5
1931	16.9	.9 def.
1932	9.7	1.2 def.
1933	9.7	1.1 def.
1934	12.6	.2
1935	14.5	1.0

Note:—Present sales, though increasing, are still only one-third of peak sales.

Position is Changed

In the future the company's chances must be interpreted in the light of a changed position, stated T. A. Russell, president, at the annual meeting, March 3, 1936.

"Two of the greatest and most profitable markets this company has enjoyed in the past, namely the Continent of Europe and the Commonwealth of Australia, have, by reason of a combination of tariff barriers and exchange regulations, been wholly lost in so far as our Canadian factories are concerned.

"We recognize and accept the challenge this condition presents—that we must increase and develop our business in Canada, in other parts of the Empire where we are under no handicap (and, in some cases, enjoy an advantage) and in the other markets remaining to us."

Massey-Harris's great market is now Canada as compared with the situation when once it shipped 60 per cent of its output abroad. Roumania once took more from the company than the whole of Europe now does. However, there is hope for the companies working out their salvation in Europe now.

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CORPORATION - LIMITED
EDMONTON VANCOUVER
CALGARY VICTORIA
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EQUITABLE AGENCIES LTD. CALGARY, ALBERTA
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In The Construction World

Not Lack of Money

Not lack of money so much as lack of confidence was responsible for the decline in total building in Canada of from nearly $600 millions in 1929 to $160 millions in 1935. Even during the depths of the depression there were thousands of Canadians who retained their jobs and were in need of new houses. Neither was there any great lack of funds among such large institutions as the banks or insurance companies, which are responsible for many of the larger office buildings.

But the men who make the decisions to build lacked confidence in the worth of such expenditures. They were not sure of the future. Talk of new money theories, rising taxes, moratoria, repudiations, held them back. Steady recovery will gradually allay such fears, but a complete restoration of confidence takes time.

* * *

Prelude to Expansion

Gradually higher rents in the $25 to $50 per month class raise the hope of Canadian house builders at the opening of the 1936 season. In the last eight months practically every urban centre in Canada reports more activity and increases in rentals up to 10 per cent.

Such a step, apparently was a necessary prelude to any large-scale expansion in new building. Existing construction had to be put on a profitable basis either to lease or raze before the opportunity for new dwelling places was created.

Naturally, if there is any lag in demand, the landlord is disinclined either to make improvements or put up new buildings. But when a demand does arise and his investment again appears profitable, then he is willing to do both, or if the premises are old and obsolete he is in the mood to tear down and rebuild.

* * *

Building and Recovery

When an official of the federal housing administration of the United States Government at the opening of a housing show in New York last week stated that a revival of the building industry would lead the country well out of the depression, he was expressing more than a mere platitude. The capital that goes into a new dwelling represents a turnover greatly in excess of the price paid by the actual purchaser.

Not only do manufacturers of brick, processed stone, cement, hardware, lumber and a host of other building materials benefit directly, but there is new business created in many industries far removed from actual construction.

A fall in bread consumption, for instance, has been directly attributed to the lack of building. Artisans working in the open air are notorious eaters, and the dinner pail of the bricklayer, carpenter or plasterer in a newly-rising suburb has always been one of the best customers of the corner grocery store.

* * *

Scope for Inventors

Notwithstanding the rapid introduction of new construction materials in the last few years, there still appears to be plenty of scope for the inventive person who can produce something cheaper or more efficient.

Survey the development of one item alone—windows.

Mankind does not have to retrace his steps a great many years to the time when a mere hole sufficed to let in light and possibly air. Then followed the era of skins stretched tight. Finally came glass.

The inventor of this new wonderful material no doubt believed that final success had been achieved. But ordinary glass was soon replaced by an extra sash in winter and then permanent double glazing. But this presented cleaning difficulties.

At present, the world is beginning to interest itself in a still newer type, vacuum glass, where the dead air space between outer and inner surfaces is sealed in the process of manufacture.

But even assuming the problem of efficient transparency has been solved, something better and more efficient is needed for the casing or sash holding the glass in position. Steel or other metal frames have the disadvantage of being conductors of heat or cold. With air-conditioning this presents serious difficulties. An insulating material is vitally needed. Rock wool, asbestos or cork, good from an insulating standpoint, lack the necessary structural strength. Wood still serves the purpose, but it is not fire resistant. The path is being continually cleared for the inventor.

Cotton in Roads

United States Department of Agriculture has approved the use of funds for the purpose of stimulating field tests of new uses of cotton in highway construction.

The project provides for the diversion of manufactured cotton fabric for use as a reinforcement membrane in bituminous surface treated highways and for cotton mats for use in curing concrete highways.

'36 Building To Emphasize Modernization

Time-payment Plan Lends Stimulus to Movement Among Owners

A large part of this year's Canadian building activity is ascribed by J. A. Bradley, sales manager of the Building Materials Dept. of Canadian Johns-Manville Co., Ltd., to the repair and modernization of homes.

This factor in the construction business will be even more noticeable later in 1936, Mr. Bradley believes, because of the time-payment plan applied to repair and modernization work. Canadian Johns-Manville adopted a unique credit system and other companies are following its lead.

Time-payment methods for repairs, alterations and additions to dwelling houses is a comparatively recent idea, although home equipment of all kinds has been successfully financed in this way for years. The reason for the lag in this department of housing expenditure is probably because builders have not always been able to extend home-owners credit on the work entailed.

The step which made time-payments possible was finally taken by the manufacturers of building materials.

10 Per Cent In Cash

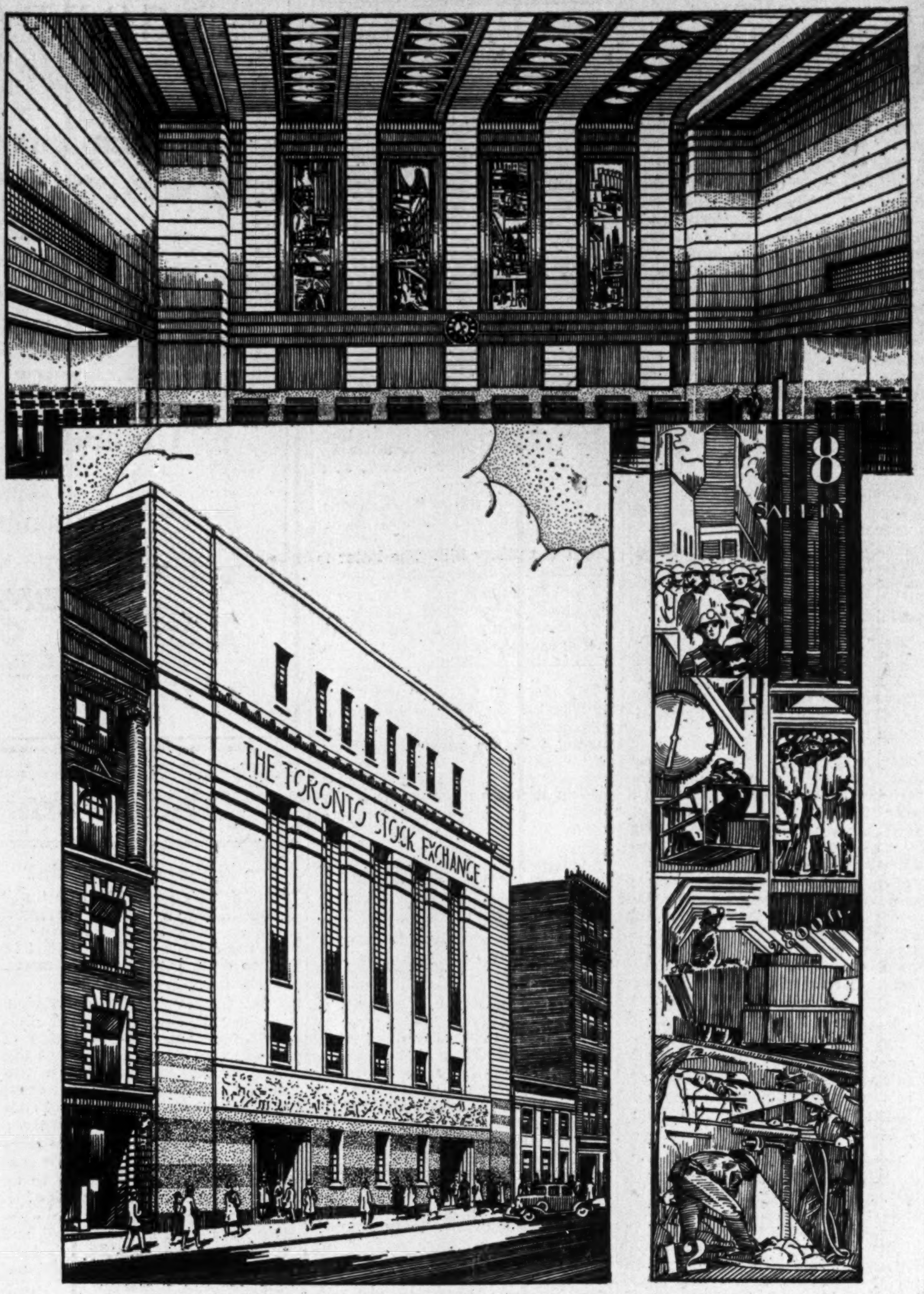
Operation of the new credit plan is simple. The home-owner who has 10 per cent of the estimated cost of the remodelling job may order his builder to proceed. Payments for the balance are then spread over 12, 19 or 24 months, interest charges being added. The financing arrangements are taken care of by the building contractor through the manufacturer of the material.

Mr. Bradley says that remodelling jobs of all kinds are being handled on the new scheme. To the home-owner it makes possible, immediately, the completion of repairs and improvements which otherwise would have to be postponed through lack of ready cash.

To the construction trades the deferred payment plan supplies considerable additional work. Erection of a sun-room, a verandah, or remodelling of a basement or attic to make a recreation room, or the building of a new roof, can be undertaken as simply as if the owner were purchasing any one of the many articles of household equipment which are commonly obtained on the instalment plan.

"Remodelling jobs today are aimed at making existing homes as livable as those which are placed new on the market," says Mr. Bradley. "This can be done by elimination of waste space, by re-arrangement to accommodate modern equipment, and by re-designing interiors. Expenditures in this line were fairly heavy in Canadian cities during 1935.

Toronto Stock Exchange's New Home



Upper picture, shows the trading floor of the Toronto Stock Exchange as it will appear after construction of the exchange's new building on Bay Street, Toronto. Trading, now carried on at two separate buildings, housing the mining section and the industrial section, will be combined on the new floor. Equipment will embody the latest and speediest methods of transacting sales in all classes of securities.

Lower left, exterior of the new exchange building, with facade of limestone, and granite plinth in the modern manner. Entrance doors are of white metal.

Lower right, a striking mural decoration to be used in the interior decorative scheme, depicting mining scenes.

Trading floor of the exchange will occupy the entire second story, with two public galleries and a mezzanine floor, or about 8,000 square feet compared with the present 5,360 square feet of the existing industrial and mining floors combined.

Telephone desks of traders will face the floor in tiers and trading posts will be similar to those of the New York Stock Exchange. The trading room will have a height of 40 feet.

Statistical department, members' lounge, coat rooms and other accommodation will be provided on the first floor, and the third floor will house the executive, general offices and committee rooms. In the basement will be located the printing department, ticker and pneumatic tube services, lockers, filing vaults and practically all the mechanical maintenance equipment.

$50 Million Programme Seen in Housing Plan

Applications Now Flooding In for Government Building Money

LOAN FIRMS ASSIST

From Our Own Correspondent

OTTAWA.—With five additional companies operating under the Dominion Housing Act the government expects a rush of applications for loans in April. There is every prospect that the full $10 millions appropriated in 1935 will be exhausted by the end of this year.

$50 Millions New Building

On the basis of the purchaser supplying 20 per cent, the government another 20 and the mortgage companies 60 per cent of the money needed, this indicates home and apartment construction of approximately $50 millions in Canada this season. In the event of earlier exhaustion, the government undoubtedly will bring down a new appropriation in 1937.

The latest additions to the list of companies are: The Confederation Life Association, Toronto; The Ontario Equitable Life and Accident Insurance Co., Waterloo; The Manufacturers' Life Insurance Co., Toronto; The Waterloo Trust and Savings Co., Kitchener; The Canada Permanent Mortgage Corp., Toronto. This brings total companies up to 21.

Companies Push Loans

These companies are showing keen interest in the scheme, particularly the Confederation Life which has intimated its intention of accepting applications in all provinces. It is the only company, incidentally, to make a gesture toward lending money in Alberta.

Most of them have confined their activities, so far, to the central and eastern provinces and have not accepted western loans. Now, however, there are sure indications of activity at Winnipeg, Regina, Saskatoon, Vancouver and Victoria. Social Credit has scared the lenders—with the one possible exception—from Alberta.

Up to Feb. 25, 113 loans were approved involving $755,900 in loans, of which Ottawa's share was slightly less than $200,000. Total investment, including the borrowers,' was approximately $944,600 or about two per cent of the total which will go into new construction under the $10 millions Dominion appropriation.

In the last few weeks, however, the situation has changed. Builders, and prospective purchasers are interested and plans are under way to push construction in many cities. Many of the loan companies are running advertising offering money under the act.

As a result not only are applications now flooding in but large and costly buildings are in prospect. Two apartment blocks at Montreal will run to $1 million each.

The architects' competition now in progress will conclude April 15. This is for small homes and the government's plan is to prove that an excellent house can be built for, say, $3,000. By so doing it is believed the companies will be encouraged to take on such risks and that the small income class will discover that a good home is within their means.

House Building Holds U.S. Lead

While United States building in February fell slightly behind the first month of the year, it was nearly 90 per cent above the same month a year ago. This gain over February, 1935, was shared by all types of construction, but the greatest increase was in residential, which jumped nearly 190 per cent over the previous year.

Most construction observers anticipate a similar trend in this country, once the season opens.

Stone Windows

Veined Marble In Thin Slabs Has New Use

Stones for windows may seem a backward step, but actually, the Mellon Institute of Industrial Research in the United States has devised marble for this purpose. The result, thin slabs of this beautiful veined material, is not very transparent. One cannot see through it, but with daylight or artificial lighting behind, it is luminated like stained glass.

In those buildings where softly-diffused daylight is largely in the nature of an ornament or in basements, restaurants, club rooms, etc., where the windows are purely artificial, it is predicted that there will be a wide use of the new material with moderate-sized bulbs behind it. It is also predicted that it will have a use in indirect lighting fixtures and for novelty effects in radio cabinets and similar cabinets that have lighted interiors.

New Products

Fin-Type Calrod Heating Unit—Announced by Canadian General Electric Co., principally for air heating and for such applications as the heating of air-conditioned railway cars on electrified lines, building heating, and various types of unit heaters.

'Peg Big Owner City Real Estate

The city of Winnipeg is one of the biggest owners of real estate in Manitoba. Holdings of improved properties and vacant lands is estimated at $6 millions.

All was acquired because of lapse of taxes. While much property is obsolete and in very bad repair, on the other hand there are some big and fairly modern residences, stores and even a theatre.

That some of the tax money owing will always remain in that unhappy position is indicated by the disclosure that on a little repair shop valued at but $75, back taxes already amount to well over $600.

Big Construction Programme To Follow Wake of Floods

Extensive floods in the eastern portions of Canada and the United States this spring are expected to contribute directly to a construction outlay of hundreds of millions of dollars.

In the devastated areas of Pennsylvania, the work of rebuilding will require millions of dollars worth of building materials and equipment, medical supplies, food products automobiles, cement, paint—everything that people use. "Here are markets created out of a calamity," concludes the survey, "that will prove profitable for those who go after business now."

Only to a lesser extent is the same true of those sections of Ontario and Quebec roughly in the upper St. Lawrence region, and also in New Brunswick, particularly in the neighborhood of Saint John.

Dom. Foundry Sales Increase Profits Higher

Tinplate Production Sold Out for Three Months Ahead

Reflecting a general increase in sales throughout the entire line of the company's products, profits of Dominion Foundries and Steel Ltd. in 1935 showed improvement over 1934, The Financial Post is informed. Net profit in 1934 amounted to $98,692 and in 1933 to $32,562. No definite figure as to 1935 earnings will be available until the annual report to shareholders is issued next month.

Preferred dividends are being paid regularly and are being earned by a good margin.

Continuation of the upward trend of earnings evident during the past three years is expected during 1936. Sales during the year to date have been ahead of last year and prospects are that there will be a further increase during the remaining nine months.

An important factor in prospect for further improvement in the company's earnings is the new tinplate mill which has been in operation since the first of the year. At the present time the company's tin plate production is sold out for three months ahead.

Further Expansion

Further expansion of the company's cold rolling and tinplate units is under way. The enlarged plant will be ready for operation about Sept. 1, it is expected, and will give the company a tin plate capacity of from 30,000 to 40,000 tons annually. The company is the only manufacturer of tinplate in the Dominion and the Canadian consumption amounts to about 90,000 tons annually.

Funds for plant expansion have to date been provided out of working capital. No decision has yet been made as to whether new financing will be undertaken to meet the cost of extensions at present under way.

Installation of a tinplate mill is in keeping with the company's policy of diversification of its products and expansion of its production of consumable goods.

Boom Coming U.S. Building

Housing Construction Is Pictured Leading National Recovery

Opening of the National Home Show in New York City last week heralds the beginning of a boom in home construction in the opinion of leading speakers at the event.

The revival of the building industry would lift the United States out of the depression, said J. Howard Ardrey, assistant to the federal housing administrator in Washington. Dominating the exhibition were displays of his Washington department, which is known as the F. H. A. Homes were shown before and after modernization through F. H. A. loans and new homes built under the F. H. A. single mortgage plan.

New Industries

Helfrich Laboratories, Chicago, manufacturer of toilet preparations, has made arrangements for the establishment of a branch factory in Toronto at the corner of Bathurst and King Streets. (Toronto Industrial Commission).

Maybury Engineering Corp., Vancouver, will commence production of a complete line of automatic stokers for domestic and industrial installation before the end of May.

modern PROGRESS moves on STEEL

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1831 Faraday's Electric Dynamo
1832 Fourneyron Water Turbine
1834 McCormick Reaper
1846 Howe Sewing Machine
1847 Revolving Printing Press
1855 Bessemer Steel
1868 Westinghouse Air Brake
1882 DeLaval Steam Turbine
1893 Ford Automobile

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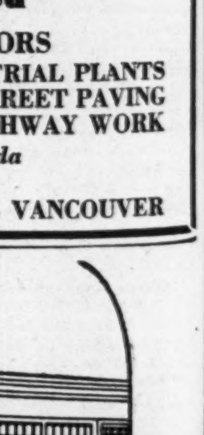

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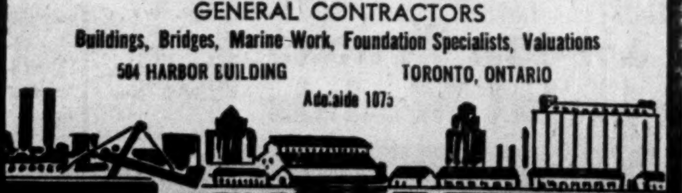

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Company Earnings Reports

Canada Paper

Though sales of Canada Paper Co. showed only a small increase in 1935, net profits at $83,025, were $61,632 greater than in 1934.

The balance sheet shows that loans from Howard Smith Paper Mills increased by $249,626. Offsetting this Canada Paper's bonded indebtedness was reduced by $148,000 and $99,500 of bonds purchased against future sinking fund. In addition net working capital shows an increase of $80,730.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1935	1934
Gross income	$ 338,789	$ 280,594
Less: Directors' fees	460	....
Mort. interest	1,140	....
Depreciation	168,540	170,407
Bond interest	71,287	84,145
Income tax	14,337	4,650
Net profit	83,025	21,392
Less: Sub. dividends	......	2,250
Surplus	83,025	19,142
Previous deficit	267,996	*287,138
Deficit forward	184,971	267,996

*Adjusted.

Working Capital

	1935	1934
Current assets	$1,081,828	$1,103,973
Current liabilities	273,838	376,713
Working capital	807,990	727,260

Howard Smith

Consolidated gross profits of Howard Smith Paper Mills increased $62,632 in 1935 as compared with 1934, while net earnings gained $118,388.

Since the year-end, shareholders accepted the arrangement covering liquidation of dividend arrears on the preference stock. Consequently this plan is not reflected in the 1935 report.

The consolidated balance sheet as at the end of last year showed the following changes: Bank and other loans were reduced during the year by $100,000; bond indebtedness by $315,800; holdings in bonds of the company and its subsidiaries increased by $134,253; while net working capital advanced $311,450.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1935	1934
Operating income	$1,950,397	$........
Investment income	4,705	....
Gross revenue	1,955,102	....
Less: Legal fees	3,500	....
Exec. salaries	61,775	....
Net revenue	1,889,847	1,837,161
Less: Directors' fees	2,110	1,265
Depreciation	842,570	886,994
Income tax	90,122	70,272
Mort. interest	3,646	3,324
Bond interest	495,893	516,589
Premium on bonds	2,635	....
Inventory reserve	....	24,275
Net profit	452,821	334,432
Less: Sub. dividends	896	4,854
Add: Minority interest	38,067	....
Surplus	489,992	329,578

Working Capital

	1935	1934
Current assets	$3,049,302	$3,144,103
Current liabilities	730,937	1,016,730
Working capital	2,318,365	2,127,373

Zimmerknit Co.

With volume of sales maintained in 1935, Zimmerknit Co., and its wholly-owned subsidiaries Harvey Knitting Co. and Hosiers Ltd., increased earning profits about 22 per cent. Net was down on account of larger allowance for depreciation. Dividends were paid at the same rate, and $10,510 added to surplus.

Working capital is slightly stronger. Secured bank advances totalled $144,442. Bonds are down from $750,000 to $738,300.

Consolidated Income and Surplus Account, Years Ended Dec. 31

	1935 $	1934 $
Net earnings*	100,909	82,271
Less: Depreciation	31,367	†11,051
Bond interest	44,639	45,000
Bond discount	1,500	1,500
Prov. for inc. tax	4,143	3,617
Net profit	19,260	21,103
Less: Pref. dividend	8,750	8,750
Surplus for year	10,510	12,353
Previous surplus brought forward	28,533	11,180
Adjust. prior years	......	5,000
Balance carried forward	39,043	28,533

*After operating and administrative expense but before depreciation.
†In addition $29,495 was transferred from the reserve for contingencies to the reserve for depreciation.

Working Capital

	1935 $	1934 $
Current assets	$1,009,740	918,495
Current liabilities	307,712	228,362
Working capital	702,028	690,133
Ratio	3.28—1	4.02—1

Hayes Wheels

Hayes Wheels & Forgings Ltd., Merritton, Ont., enjoyed increased sales in 1935 as a result of better business conditions particularly in the automobile industry to which the company supplies parts. C. A. Dana, vice-president, states plants have been maintained in efficient condition and are capable of handling increased volume.

A reorganization of the company's capital structure has been proposed and is outlined elsewhere in this issue. Earnings figures follow:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1935 $	1934 $
Operating profit	80,661	*43,494
Less: Legal fees, exec. salaries	16,217	......
Depreciation	68,839	39,690
Bond interest	†30,118	†28,470
Net loss	34,513	10,666
Less: Capital surp.	58,791	69,457
Add: Loss on lands	3,818	......
Surplus forward	20,460	58,791

*After salaries and legal fees.
†Not paid.

Working Capital

	1935	1934
Current assets	328,260	279,850
Current liabilities	55,935	69,518
Working capital	272,325	210,332

Crown Cork & Seal

Crown Cork and Seal Co. first annual report shows that earnings of the company and its predecessor for 1935 totalled $120,474, or equivalent to $1.20 a share, on the outstanding capital. Earnings for 1934 were $84,700.

The actual earnings report of the new company shows income only for the period Nov. 16 to Dec. 31, 1935. A supplementary statement combining earnings of the predecessor company and the new company is as follows:

Net operating profits after all operating expenses, depreciation and income taxes for 1935 were: Crown Cork and Seal Co. (Dominion charter) from Jan. 1 to Nov. 15, 1935, $111,145; Crown Cork and Seal Co. (Ontario charter) from Nov. 16 to Dec. 31, 1935, $9,329, making a total of $120,474.

The balance sheet shows net current assets of $508,402 against current liabilities of $40,605, making a net working capital of $437,797, of which cash and receivables amounted to $232,937. Fixed assets are shown at a depreciated value of $255,542.

Dom. Engineering

Dominion Engineering Works financial statement for 1935 shows operating loss, including legal fees and executive salaries, of nearly $200,000, as against comparative figures of about $128,157 for 1934. After including other revenues and transfer of $240,000 from operating reserve, net earnings for last year totalled $117,859 compared with $57,002 in the previous year.

The value of new business secured during 1935 increased by 81 per cent over 1934, and was 53 per cent over the average for the four years commencing 1931. About 40 per cent of the business booked was accounted for by new lines of work which the company has taken up for development in the last five years.

The balance sheet shows relatively strong position. Government bondholdings declined during the year about $140,000, and call loans by $208,000. On the other hand, there was an increase in accounts receivable and work in progress.

Income and Surplus Account
Years Ended December 31

	1935	1934
Operating loss	$ 169,797	$ ......
Investment income	68,102	......
Sundry income	6,239	......
Trans. from reserves	240,000	......
Legal fees	1,945	......
Executive salaries	24,740	......
Net revenue	117,859	57,022
Less: Directors' fees	10,100	10,050
Dev. research	29,644	45,094
Depreciation	121,668	92,490
Loss for year	43,553	90,632
Previous balance	1,029,480	†1,120,112
Carried forward	985,926	1,029,480

†Adjusted.

Working Capital

	1935	1934
Current assets	$1,975,987	$1,980,032
Current liabilities	419,376	506,252
Working capital	1,556,611	1,473,780

Can. Inter. Invest. Trust

Canadian International Investment Trust reports a moderate increase in both gross and net income for the year ended February 29, 1936. Earnings on the preferred stock totalled $3.28 a share, as against, $2.61 in 1935.

During the year market value of investments appreciated from $2,879,394 to $3,783,377. This compares with a book value of $4.2 millions. Bank loans almost doubled, standing at $161,000 at the end of the year. There was no change in the bonded debt.

Income and Surplus Account
12 Months Ended

	Feb., 29, 1936	Feb., 28, 1935
Interest earned	$ 64,054	$ 63,746
Divds. received in cash	112,917	97,526
Gross income	176,971	161,272
General expenses	7,571	12,890
Trustees, registrar, transfer and audit fees	2,236	3,353
Directors' fees	2,020	1,905
Provincial taxes	2,018	2,175
Legal fees	790	.....
Executive remuneration	6,400	.....
	155,936	140,949
Bond interest & exchange	*90,454	*91,869
Other interest	5,846	1,671
Net income	59,636	47,409
Prev. surplus	244,419	197,011
Surplus forward	304,055	244,420

Dominion Stores

Sales increases reported by Dominion Stores Ltd., since the beginning of January are continuing. Total for the third period of the year, ended March 21, at $1.5 million represented a gain of 6.73 per cent over the $1.4 in the corresponding period of 1935.

Changes in management, modernization of store fronts, and other internal organization improvements are credited as the cause of the continued advance in sales volume.

Cumulative sales figures follow:

Dominion Stores Sales

4 wks. to	1935 $	1934 $	Inc. %
March 21	1,513,267	1,417,903	6.73
Jan. 25	1,413,478	1,226,611	15.23
Feb. 22	1,452,083	1,352,553	7.36
Year to date	4,378,933	3,997,073	9.55

National Breweries Ltd.

Net profit of $1,971,962, reported by National Breweries Ltd. for the fiscal year ended December 31, 1935, compares with $1,598,897 in 1934. After deduction of preferred dividends amounting to $194,250, balance available for the common was equal to $2.46 a share compared with $1.94 a share in 1934.

Taxes involved a disbursement of $3,981,184, according to Norman J. Dawes, president, but there was an improvement in working capital position as well as income. Depreciation allowance for the year was $355,642. Registered shareholders increased by approximately 10 per cent during the year.

Profit and Loss Account
Years Ended Dec. 31

	1935 $	1934 $
Oper. profit	2,527,008	2,214,002
Inv. income	231,907	165,495
Total	2,758,915	2,379,497
Deduct:		
Directors' fees	....	12,887
Tax reserve	431,311	322,464
Balance	2,327,604	2,044,146
Invest. reserve	....	100,000
Net oper. profit	2,327,604	1,944,146
Deprec.	355,642	345,249
Net profit	1,971,962	1,598,897
Pfd. divs.	194,250	194,250
Balance	1,777,712	1,404,647
Com. divs.	1,154,195	1,154,195
Surplus	623,517	250,452
Prev. surplus	*5,558,761	5,326,700
P. & L. bal.	6,182,278	5,577,152
Earn. per share:		
Pfd. ($25 par)	$17.76	$14.40
Common	2.46	1.94

*After tax adjustment.

Working Capital

	1935 $	1934 $
Current assets	6,133,350	5,752,349
Current liabs.	892,378	843,465
Working capital	5,240,972	4,908,884

Price Bros.

Condensed financial statement of Price Bros. & Co., in bankruptcy, as at February 29 last, shows book assets of $60.7 millions, against which there are $20.3 millions of liabilities. Bank and other loans at that date totalled $2,793,000. Accounts payable since bankruptcy aggregate $865,265, and those prior to bankruptcy $2,871,720. Bonds outstanding remain unchanged, while accrued interest totals $2,710,092.

Of the listed assets, inventories are carried at just under $4.2 millions; investments, $2,875,000; advances to Quebec investment company $1,273,500. The latter will probably not be realized, as that company is in bankruptcy. Depreciated value of the fixed assets is shown at $50.2 millions, and accounts and bills receivable at over $1.1 million.

Supersilk Hosiery Mills

J. G. Thompson, secretary of Supersilk Hosiery Mills, states business in the latter part of 1935 was more satisfactory than in the earlier months, resulting in a greater profit for the year. Net profit of $31,848 compares with net of $25,520 in 1934. On 4,881 shares of 7 per cent preferred it was equivalent to $6.52 a share. Payments were made at the rate of 3½ per cent. Company's production was stepped up and exports increased.

Working capital was a little higher, but current liabilities included for the first time a bank loan of $179,517.

Working Capital

	1935 $	1934 $
Current assets	468,394	289,551
Current liabilities	235,723	57,129
Working capital	232,671	232,422

Gotfredson Corp.

Announcement of an initial payment on April 1 of six per cent on principal of bonds of Gotfredson Corp., defunct motor truck manufacturing concern, has been made by National Trust Co., Toronto, receiver and manager.

At the time of receivership the real estate of the company consisted of two properties in Canada, an assembly plant at Walkerville and a garage, service station and sales office in Toronto; also four properties in the United States—at Cleveland, Detroit and Los Angeles. Most of the Detroit properties have been disposed of, the Charlevoix plant having been sold for $50,000 and a part of the Gratiot Ave. property at $50,000, payable $25,000 in cash and the balance secured by a five-year first mortgage.

All of the properties, except at Cleveland, have been occupied continuously at rentals which have been sufficient to meet carrying charges, the receiver reports.

As at Dec. 31, 1935, the company's net liquid assets were $95,668. Cash on hand amounted to $65,955.

While no statement of the value of the remaining assets of the company is given, the receiver states it is expected that as additional properties are realized it will be possible to make further distributions to bondholders.

Receipts and Disbursements
Feb. 19, 1929 to Dec. 31, 1935

	$
Revenue:	
Rentals	333,285
Insurance rebates	9,165
Sale of property & equip.	92,692
Sale of U. S. liberty bonds	18,856
Bank interest	3,377
Prem. on U. S. funds	3,714
Rec'd. from Mich. bankruptcy	6,302
Miscellaneous	2,239
Total revenue	469,630
Disbursements:	
Taxes and water rates	177,933
Insurance	22,369
Repairs	16,542
Heat, steam, etc., at Walkerville	38,340
Exps. re Cleveland bldg.	11,456
Purch. of equity of redemption	18,750
U. S. liberty bonds	18,877
Exchange	5,584
Travelling expenses	4,346
Legal fees	46,910
Receiver's fees	25,000
Miscellaneous	17,607
Total disbursements	403,675
Surplus	65,955
	469,630

Hillcrest Collieries

Increased production of Hillcrest Collieries Ltd. during 1935, compared with coal tonnage produced in 1934 was offset by a further decline in the selling price and nullified the effect of the increased output, according to the company's annual financial statement for the year ended December 31, 1935.

Reduction in demand for coal was attributed to depressed business conditions in the west, resulting in price cutting, which, according to C. B. Gordon, president of the company, makes profitable low tonnage operations difficult. Hope is expressed that the Barlow investigation will bring an improvement in the Alberta situation.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Net earns. from oper.	34,640	†2,309
Add: Misc. income	......	14,625
Total net earnings	34,640	12,316
Less: Bond interest	16,250	16,250
Taxes	10,197	......
Exec. salaries	7,393	......
Directors' fees	200	......
Net profit	600	*3,934
Add: Prev. surplus	233,156	237,090
Less: Loss on sub.	2,075	......
Balance forward	231,681	233,156

*Deficit.
†Net loss after providing for all expenses under deduction of $15,000 in 1934.

Working Capital

	1935 $	1934 $
Current assets	93,283	54,251
Current liabilities	54,922	15,175
Working capital	38,361	39,076
Ratio	1.69—1	3.58—1

Inter City Baking

Inter City Baking Co., subsidiary of Lake of the Woods Milling Co., reports net revenue in 1935 on much the same basis as in the previous twelve months. There was a small gain in gross revenue and a decline in bond interest, so that net profits for dividends at $63,713 were about $7,500 larger than in 1934.

Principal change in the financial position during the past year was a reduction in cash from $262,409 to $90,237 and an increase in investments from $60,612 to $326,559. The latter have a market value of $343,247.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Gross income	286,327	......
Less: Legal fees	484	......
Executive sal.	28,742	......
Net revenue	257,001	250,464
Less: Depreciation	100,000	100,000
Bond interest	80,388	82,213
Income tax	13,000	12,000
Net profit	63,713	56,251
Less: Dividends	21,145	......
Surplus	42,568	56,251
Previous surplus	197,732	137,782
Add: Profit on sec. sold	......	7,808
Less: Machinery w/o	......	4,109
Surplus forward	240,300	197,732

Working Capital

	1935 $	1934 $
Current assets	584,024	488,604
Current liabilities	154,643	147,092
Working capital	429,381	341,512

Lamaque Ore Reserves Show Nice Increase

An interim report covering the position of Lamaque Gold Mines as at March 1, 1936, shows the Teck-Hughes subsidiary to have at that date estimated positive ore reserves of 335,685 tons, with an average grade of 6.69 dwt.

Supertest Pete.

Supertest Petroleum Corp. earnings for 1935 are reported by the president, J. G. Thompson, to be somewhat higher for 1935 as compared with 1934.

A deficiency of working capital was reported at the end of the year as compared with a surplus a year earlier. An increase in accounts payable by $242,000 made this difference. Mortgages, however, were reduced from $207,224 to $30,280. Class A preferred outstanding was reduced from $287,800 to $208,300. Fixed assets were increased from $3.6 to $3.9 millions.

With respect to the latter Mr. Thompson says: "The surplus account has been adjusted to care for a revaluation of assets and this will continue to be the policy of the company and to revalue properties purchased at prices current during the years prior to 1930." Reserves for bad accounts, depreciation and investments increased $260,000 to $1.4 million.

	1935 $	1934 $
Net profit	352,260	339,354

Working Capital

	1935 $	1934 $
Current assets	752,738	752,292
Current liabilities	803,395	585,461
Working capital	*50,657	166,831
Ratio	0.93—1	1.28—1

*Excess of current liabilities over current assets.

Canadian Dredge

Marked improvement in operations of Canadian Dredge and Dock Co. is reflected in the company's earnings in 1935, net profit for the year being equivalent to $5.13 a share on the common stock as against 76 cents a share in 1934.

Net profits for the year were $479,434, compared with $76,051 in the previous year. Preferred dividend payments were slightly less at $4,499. Net operating profit was $725,410 against $182,772 in 1934. Income taxes jumped from $14,777 to $91,981, while $125,000 was provided for depreciation, compared with $105,000 in 1934.

Sharp gain is also reported in working capital, current assets exceeding current liabilities by $1,268,631. Working capital at the end of 1934 was $718,270.

Dosco Furnace Rebuilt

From Our Own Correspondent

SYDNEY, N.S. — Under reconstruction by Dosco for the past two months at an approximate cost of $400,000, blast furnace No. 1, of the Sydney steel mills, will be "blown in" around April 15. The blast furnace has been entirely rebuilt, and is patterned after the very latest ideas of construction.

Bond Sales

Halifax

Halifax, N.S., has sold $200,000 of 3 per cent 10-year serial debentures to Dominion Securities Corp. and Bank of Nova Scotia at 100.52; a cost basis to the city of 2.92 per cent. Tenders were also asked on $353,000 of 3½ per cent debentures, due 1962. No award of these debentures has been made, the highest firm bid being 97.08. Bids were as follows:

	Bids 3%	3½%
Dom. Securities Corp.; Bank of Nova Scotia	100.52	97.08
Hanson Bros. Inc.; McTaggart, Hannaford, Birks & Gordon	99.65	....
Cochrane, Murray & Co.	99.52	....
Nesbitt, Thomson & Co.	99.03	†97.625
McLeod, Young & Weir; Irving, Brennan & Co.	99.01	95.03
A. E. Ames & Co.	98.78	96.75
Royal Securities Corp.; Midland Securities	98.57	95.54
Wood, Gundy & Co.; Royal Bank; Eastern Securities	97.69	....
Meade & Co.; Nova Scotia Bond Corp.	97.57	95.92

Stratford

Stratford, Ont., has sold $50,000 of 4½ per cent 10-year installment debentures to McLeod, Young, Weir & Co. at 105.67. Proceeds of the issue are to be used to meet 1935 relief costs. Bids were as follows:

	Bids
McLeod, Young, Weir & Co.	105.67
Bank of Montreal	105.07
Bell, Gouinlock & Co.	104.17
Bartlett, Cayley & Co.	104.14
Harrison & Co.	104.12
R. A. Daly & Co.	103.71
Griffis, Fairclough & Norsworthy	103.45
Dominion Securities	103.089
J. L. Graham & Co.	102.789
Nesbitt, Thomson & Co.	102.13
F. L. Craig	101.04
Dyment, Anderson & Co.	100.59

Treasury Bills

The cost of short term money to the Dominion government continues to drop. The Bank of Canada has announced that $25 millions of 93-day Dominion of Canada bills have been sold at an average price of 99.76701, the lowest on record. This gives a cost basis of 0.927 per cent compared with 0.999 per cent secured March 13.

New Issue

$15,000,000
Canadian Pacific Railway Company
3% Convertible Nine and One-half year Collateral Trust Bonds

These Bonds are part of an issue of $38,000,000 Collateral Trust Bonds consisting of $8,000,000 Three year 2½% Collateral Trust Bonds, $15,000,000 Five year 2½% Collateral Trust Bonds and $15,000,000 Convertible Nine and One-half year 3% Collateral Trust Bonds. The Three year and the Five year Bonds are not being offered for sale in this advertisement.

Particulars of the Convertible Nine and One-half Year Bonds now offered:

Date of issue April 1st, 1936. Date of maturity October 1st, 1945.

Principal and semi-annual interest (October 1st and April 1st) payable in lawful money of Canada in principal Canadian cities. Coupon bonds in denominations of $1,000 and $500 registerable as to principal only. Fully registered bonds in denominations of $1,000, $5,000 and $10,000. Coupon bonds and fully registered bonds interchangeable. Bonds will bear interest as from April 1st, 1936. Callable on any interest date on thirty days' notice at 102 and accrued interest.

The Royal Trust Company, Montreal, Trustee

Bonds will be convertible at the option of the holder at any time during the period beginning April 1st, 1937, and terminating April 1st, 1944 (inclusive of both days) into shares of the Ordinary Capital Stock of the Company, in the ratio of 4 shares of the par value of $25 each to each $100 principal amount of the Bonds. In the event of conversion of any Bond, interest accrued on such Bond after the last preceding interest date shall not be payable. In the event of change in, or replacement of, the Ordinary Capital Stock of the Company, corresponding variation and adjustment of the conversion privilege will be made.

In the opinion of Counsel, these Bonds will be a legal investment for Insurance Companies under Chapter 45 of the Statutes of 1934 amending the Canadian and British Insurance Companies' Act, 1932.

Information from a letter dated March 27th, 1936, from Sir Edward W. Beatty, G.B.E., Chairman and President of Canadian Pacific Railway Company, has been summarized as follows:

The Canadian Pacific Railway Company was incorporated in 1881. Directly or through its subsidiaries, it operates a transcontinental railway system in Canada, together with hotels and commercial communication and express services. In addition, it operates passenger and freight steamship services from Canada to Great Britain and the European Continent and to Asiatic Ports, as well as services along the Pacific Coast between Canadian and United States Ports and on Canadian Inland Waters. The railway lines total about 17,000 miles, the main line extending from Saint John, N.B., to Vancouver, B.C. The gross tonnage of ocean, coastal and inland fleets exceeds 409,000 tons.

The new issue of $38,000,000 Canadian Pacific Railway Company Three and Five Year 2½% Collateral Trust Bonds and Convertible Nine and One-half year 3% Collateral Trust Bonds will be a direct obligation of the Company and will be specifically secured by pledge under a Trust Agreement to The Royal Trust Company of Consolidated Debenture Stock of Canadian Pacific Railway Company, in currency of the Dominion of Canada, in the ratio of not less than $120 principal amount of Consolidated Debenture Stock to $100 principal amount of the Bonds from time to time outstanding.

The Consolidated Debenture Stock of the Company is a perpetual obligation authorized by Act of Parliament passed in 1889 and subsequent Acts. By these Acts the Consolidated Debenture Stock is a first charge on the whole of the undertaking, railways, works, rolling stock, plant, property and effects of the Company, including the rights of the Company in the several railways held by it under lease (except lands received by way of subsidy under the terms of the Act authorizing the incorporation of the Company), subject to the payment of working expenses of the railway as defined by law, and to the priorities created by charges existing at the time of the issue of Consolidated Debenture Stock.

The priorities consist of First Mortgage Bonds of the Company aggregating in principal $3,650,000 on which the annual interest charge is $182,500. The annual rentals to which the Company's rights in railways held under lease are subject, amounted in 1935 to $3,574,850. Such of these obligations as are payable in other than Canadian currency are calculated at par of exchange.

As at December 31st, 1935, the assets of the Company exceeded its total liabilities, including Preference and Ordinary stocks, by more than $290,000,000 and excluding Preference and Ordinary stocks by more than $762,000,000.

We offer these Bonds, if as and when issued and accepted by us and subject to the approval of all legal proceedings by Messrs. Tilley, Thomson and Parmenter. It is expected that temporary bonds will be available for delivery on or about May 1st, 1936.

Price: 94.44 and interest, to yield 3.70%

Descriptive circular gladly furnished upon request.

Wood, Gundy & Company Limited **Dominion Securities Corporation, Limited** **A. E. Ames & Co. Limited**
Hanson Bros. Incorporated **James Richardson & Sons** **Nesbitt, Thomson & Co. Limited**
Aldred & Co. Limited **Royal Securities Corporation, Limited** **Collier, Norris & Henderson Limited**
McLeod, Young, Weir & Co., Limited **Bell, Gouinlock & Co., Limited** **Gairdner & Company, Limited**
Société de Placements Incorporée **Midland Securities Corporation, Ltd.** **Mead & Co. Limited**
Greenshields & Co. Inc. **W. C. Pitfield & Company Limited** **Kerrigan, MacTier & Co., Limited**
L. G. Beaubien & Cie. Limitée **Ernest Savard Limitée** **R. A. Daly & Co. Limited**
Iselin Corporation of Canada **Harris, Ramsay & Company** **McTaggart, Hannaford, Birks & Gordon, Ltd.**
Harrison & Company Limited **J. L. Graham & Co. Limited** **Matthews & Company**
Mills, Spence & Co., Limited **Holt, Rankin & Child** **Fry & Company**
Osler & Hammond **Griffis, Fairclough & Norsworthy Limited** **Eastern Securities Company, Limited**
Cochran, Murray & Co. Limited **Milross Securities Corporation Limited** **Brawley, Cathers & Company**
T. M. Bell & Company, Limited **Bartlett, Cayley & Company Limited** **Wills, Bickle & Robertson**
Isard, Robertson & Company Ltd. **C. H. Burgess & Co. Limited** **Irving, Brennan & Company Limited**
R. O. Sweezey & Company Limited **Dyment, Anderson & Company** **Aird, Macleod & Company**
Burns Bros. Limited **H. C. Monk & Company Limited** **René-T. Leclerc Incorporated**
W. H. Watson & Co. **Comptoir National de Placement Limitée** **Lawson Williams & Co. Limited**
A. T. Ross, Limited **Canadian Alliance Corporation Limited** **Flemming & Company**
D. M. Duggan Investments, Ltd. **Pemberton & Son Vancouver Limited** **Houston, Willoughby & Company Limited**
Melady, Sellers & Company, Ltd. **Crédit Anglo-Français Limitée** **The Western City Company, Limited**
Wright, Henderson & Co. Limited **Vaughan & Company, Limited** **Henri Turgeon Limitée**
John Graham & Company **A. H. Smith & Company Limited**

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee but believe the statements herein made to be true.

Canada—and the Next Five Years

Prominent Canadian Business and Professional Leaders Outline Main National Issues and Offer Solutions

TWO notable contributions this week to The Financial Post's series of articles by outstanding Canadians on the major problems of the Dominion are by Ross McMaster, president, Steel Co. of Canada and Dr. Sherwood Fox, president, University of Western Ontario.

The series is an effort to construct some definite chart to guide Canada through the next critical years. The viewpoints expressed are all those of leading citizens in various walks of life and are in answer to the following specific questions:

1. What are Canada's five chief problems?
2. How, in each case, should these problems be tackled?
3. What other considerations do you think essential in clearing away major barriers to recovery in Canada during the next five years?

* * *

On the basis of his directorates alone, Ross McMaster is one of the top-ranking industrial leaders in the Dominion. In addition he qualifies as one of the most thoughtful of Canadian citizens by the work he has done (mostly of a private nature) toward seeking a solution of Canadian and world problems.

* * *

Dr. Fox came to the University of Western Ontario as classics professor in 1917 with an educational background which included such varied fields as Brandon Manitoba, Geneva, Johns Hopkins and Princeton. He is one of varied fields as Brandon, Manitoba, Geneva

Balanced Budgets First Necessity

By ROSS H. McMASTER

In my opinion the chief problems facing Canada at this time are:

The first and most important, I believe, is the steady growth of public debt coupled with the high cost of government—federal, provincial and municipal. Over the past five years the deficiency between income and expenditures, in spite of expanding taxation, has aggregated over one and a half billion dollars. New issues of short and long-term securities, to cover these deficits, have produced a surplus of banking credit and fictitiously low money rates. These have encouraged further borrowing instead of having effected a reduction in the cost of debt service. As a result the debt burden has grown to such proportions that the annual interest represents the chief item of government expenditures.

ROSS H. McMASTER

Capital Holds Back

Under these conditions private capital lacks the courage necessary to embark on new enterprises. Mounting taxation robs the sources from which opportunities for greater employment would be created. Until there is a united effort to bring about a general condition of balanced budgets there is no possible chance for recovery.

I am convinced that a sound condition in respect to governmental finances must be achieved as an essential move in the solution of all problems. Relative to the national income the combined expense has reached inordinate proportions. A reduction in the cost of government, the elimination of duplicate services, a balance between income and outgo are required to restore the degree of confidence which is the prime requisite of a return to better times.

One Way to Cure Unemployment

Secondly, the relief problem demands the united effort of all governments. While fully conscious of the responsibilities which devolve upon governments to aid the unfortunate victims of the economic difficulties with which we are surrounded, it should be apparent that the restoration of the normal opportunities for employment is the essential cure. Our present methods are producing a political consciousness which is calculated to increase the cost of relief in every way. We are also creating the universal idea that a beneficent government will provide. Unemployment is no longer a personal concern—every vestige of family responsibility is being destroyed and every incentive toward personal action is being denied. In a country richly endowed with farm lands we are losing all realization of our valuable heritage and that living on the soil is a fundamental means of livelihood.

Some systematic investigation should be undertaken to distinguish the employable from the unemployable—the source of their previous employment and steps taken to stimulate opportunities for gainful occupation as a substitute for relief. The financial condition of governments cannot stand the drain of the growing expense, coupled with the other burdens we are attempting to carry. If these increasing expenditures are permitted to sap the strength of the ordinary economic activities of the people it will be a simple case of suicide.

Public's Wrong Impression

Unfortunately, the public has been led to believe that our problems are the concern of our governments and solvable by them only. The truth is that the more widespread this idea becomes the narrower will be the scope of the liberty we may expect to enjoy. The unemployment problem can be solved only by the restoration of normal conditions. Governments cannot provide jobs or succeed in an effort to secure sufficient taxes to pay for idleness. Every dollar entrusted to government control is an expense dollar. Every dollar of taxes saved can become a productive dollar —a living dollar ready to provide employment if given a chance. Instead of crushing initiative by growing taxes and unbalanced budgets all governments must strive to leave more dollars in hands which can use the capital to create opportunities for productive employment. Then we may expect to have more people working for themselves and less productive effort absorbed by the cost of government.

Governments Must Co-operate

Thirdly, I believe there must be a greater degree of co-operation between the provinces and the federal government. If I am sound in believing that government finances constitute the most important problem confronting us, it would seem patent that it is a case of, "united we stand—divided we fall." A united effort will be needed to restore the credit of some of the provinces, and those principally concerned are the provinces whose position is still unimpaired. Unless our present extravagances, inseparable from the degree of over-government we now enjoy, are placed under a measure of unified control we seem likely to sink together.

The public in every province must answer the question how it is proposed that savings will be made in other directions to afford the apparently much cherished autonomy of doing everything for ourselves, even if it involves duplication and waste. An independent policy on the part of the provinces is wholly unsuited to the existing circumstances. While it may be necessary to provide safeguards against the loss of provincial rights, the difficulties confronting the country call for the closest degree of co-operation between the provinces and the central government, even though it may involve temporary sacrifices.

Railway Burden Crushing

The fourth is the railway problem. Under the prevailing difficulties with the crushing burdens of increasing debt, mounting relief expenditures and unbalanced budgets, why is it that many persist in the belief that substantial savings in the cost of railway transportation should be denied because of the fact that it would seem to constitute a failure of the principle of government ownership? If we analyze the situation it is apparent that the only vestige of government ownership left is the obligation to pay the real owners—the bondholders—their annual interest. These obligations are, to all intents and purposes, a part of the government debt. No exhortation in support of preconceived ideas can change that fact.

We should calmly ask ourselves these questions: What are we receiving as a country for the annual cost we are assuming? How much are we prepared to sacrifice for the ideal of public ownership? How long can we endure the strain of the continued deficits—or in what other direction do we intend to make sufficient savings to justify the losses our present course involves? The total cost of railway services must come from the pockets of the people. Some reasonable solution of this pressing problem should be available without permitting it to be confused as a political question instead of an economic waste which cries aloud for correction.

Must Mold Public Opinion

The fifth is the creation of public opinion in support of those actions which should be taken to solve our other problems. It cannot be denied that the politician has failed to lead opinion along lines which would prepare the public for the adequate discharge of its responsibilities. On the contrary, promises of social and class advantages, the imposition of particular forms of taxation, the emphasis laid upon reform instead of recovery, have added to the difficulties of the moment. Democracy is not the best form of government calculated to deal successfully with the conditions facing us. Such a government is the expression of the people's choice. Ordinarily the wishes of the people will guide it. The responsibility for the solution of our problems, therefore, must fall upon the shoulders of everyone.

Public opinion, if intelligently led, can provide governments with the courage necessary to really grapple with our difficulties. If sound finances are regarded as essential, sectional and class interests must be submerged in favor of national interests in an effort to achieve that objective. If we can reach the united conclusion that taxes are not paid only by the wealthy but come from the people as a whole—if we can agree that each problem should be considered from the standpoint of our financial capacity to pay, we will have made much progress.

Political Confidence Vital

Confidence in commercial leadership should be restored by actions calculated to inspire belief in the sincerity of that leadership. Progress and efficiency should cease to be regarded as a crime against society. Political confidence should be restored by the placing of national interest above party advantage and by replacing opposition with constructive support in matters calculated to advance the general interest.

Taxes will come with better grace and greater hope if governments are motivated by principles of economy and thrift. Confidence and initiative will be aroused and stimulated if governments deal with their finances as the individual would in similar circumstances.

We cannot expect to legislate the country into recovery. Confiscatory taxation retards progress. Reforms which increase costs of production only serve to add to the general burden. Prosperity results from an equality of opportunity to exchange products and services with one another. Every obstacle to these interchanges, whether caused by unwise legislation, unsound finances, unfair prices, private greed, inefficiency or other causes, has its part in delaying the return of better times.

Everybody, therefore, has a part to play or a contribution to make in the solution of our national problems and the earlier and the wider this becomes realized, the sooner we will approach that objective.

* * *

Canadians Refuse To Face Realities

By WILLIAM SHERWOOD FOX

As an academic man by profession rather than a businessman I am fully conscious of my incompetency to suggest solutions of the various business problems with which Canada is confronted.

W. SHERWOOD FOX

Of the existence and the extent of the problems I am keenly aware, for example, railway deficits, excessive relief expenditures, unemployment and its accompaniments, high costs of government, mounting public debts, inadequate trade and commerce. But that they are all necessarily separate problems I cannot admit. On the contrary, most of them seem to be only different phases, conveniently designated by different labels, of one great inclusive problem.

Of course, the situation is not really quite as simple as that, yet I believe this view of it is nearer the truth than the common practice of studying our national problems in separate compartments.

Nation of "Alibi-Chasers"

Our great inclusive problem, as I see it, is, in the general lack of intellectual sincerity amongst Canadians in dealing with facts. This defect is essentially I think an inability or a refusal of citizens to be frank with themselves concerning the facts of their individual lives and of their corporate activities. It is an all too common Canadian instinct to endeavor first of all to lay upon others and upon outside circumstances the blame for failure or defeat. Thus Canadians have become a nation of alibi-chasers. They have made themselves members of the great order of incurable optimists who seem to believe that if one ignores unpleasant facts long enough matters will sooner or later right themselves. To offer the apology that this is a common failing of pioneer countries does not, in these days of general enlightenment, free us from guilt; indeed, it only increases the guilt.

The time has come and is long past for us to recognize privately and publicly the truth of the words that have become so trite that we have ignored them:

"The fault, dear Brutus, is not in our stars,
But in ourselves . . . ."

Problems Internal Ones

The causes of most of our troubles are to be found, I believe, within our Canadian border and within Canadian hearts and minds. The men, the businesses and the institutions that have "pulled themselves out of the red" during and since the depression, are those that have sought and found the solution of their problems within and not without.

In this same procedure one can see the chief reasons for the present recovery of Great Britain. Despite her countless external difficulties Britain has looked for her major difficulties within her shores and when she has found them she has faced them squarely.

In Canada, generally speaking, we are still systematically avoiding the search for facts. The correction of this delinquency is essentially a matter of education, broadly conceived. Every person and every social agency that sees the truth clearly —the school, organized industry, the Chambers of Commerce, the legislator, the business leader, the editor, the professor, the parent, anybody or any society that has the vision—can become schoolmaster to the nation in this respect, provided, of course, that all speak long enough and loudly enough. A systematic national campaign of propaganda on this topic would work wonders.

All Must be Repaid

If Canadians could be brought to the state where they would spontaneously seek facts and act accordingly, one would soon see a marked lessening in our problems of taxation and public debt, to mention no others. When we come to realize that WE are the government, we shall undoubtedly stop doing many things of a financial nature we now do because of our habit of regarding the government as a concern apart from the people. When we realize that government subsidies to ourselves as individuals or a group are not gifts from a philanthropic institution but are loans from our own purses which must be paid back somehow, we shall think twice before pressing governments for subsidies. Similarly, all other proposals for expenditures would be carefully scrutinized. Citizens would then begin to analyze and hence to understand the contributions they make to administration in the form of tax payments.

More Direct Taxes Might Help

The average Canadian does not know what taxes he is paying, because so many of them are concealed by the cloak of indirectness and hence are invisible. We all know how we wince at and protest at the visible taxes, but we are as meek as lambs and as blind as bats in consenting to pay any invisible taxes. I think I am right in believing that Britain's sounder financial policies are to no small extent due to the fact that the preponderance of visible over invisible taxes has brought the British people to their present sane state of mind in relation to taxation and to debt. Perhaps a few more direct, that is to say visible taxes, laid upon our Canadian people may be needed to bring us also to our senses.

How Much Longer Will You Live?

One's life span depends almost entirely on the strength and vitality of our muscles and organs. . . . .

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Mr. Bernier, the director, will be glad to discuss with you your problem and devise a **proper** and **safe** program taking into consideration age, physical condition, etc.

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who have been associated with this firm for severa years, have been admitted as general partners as of this date

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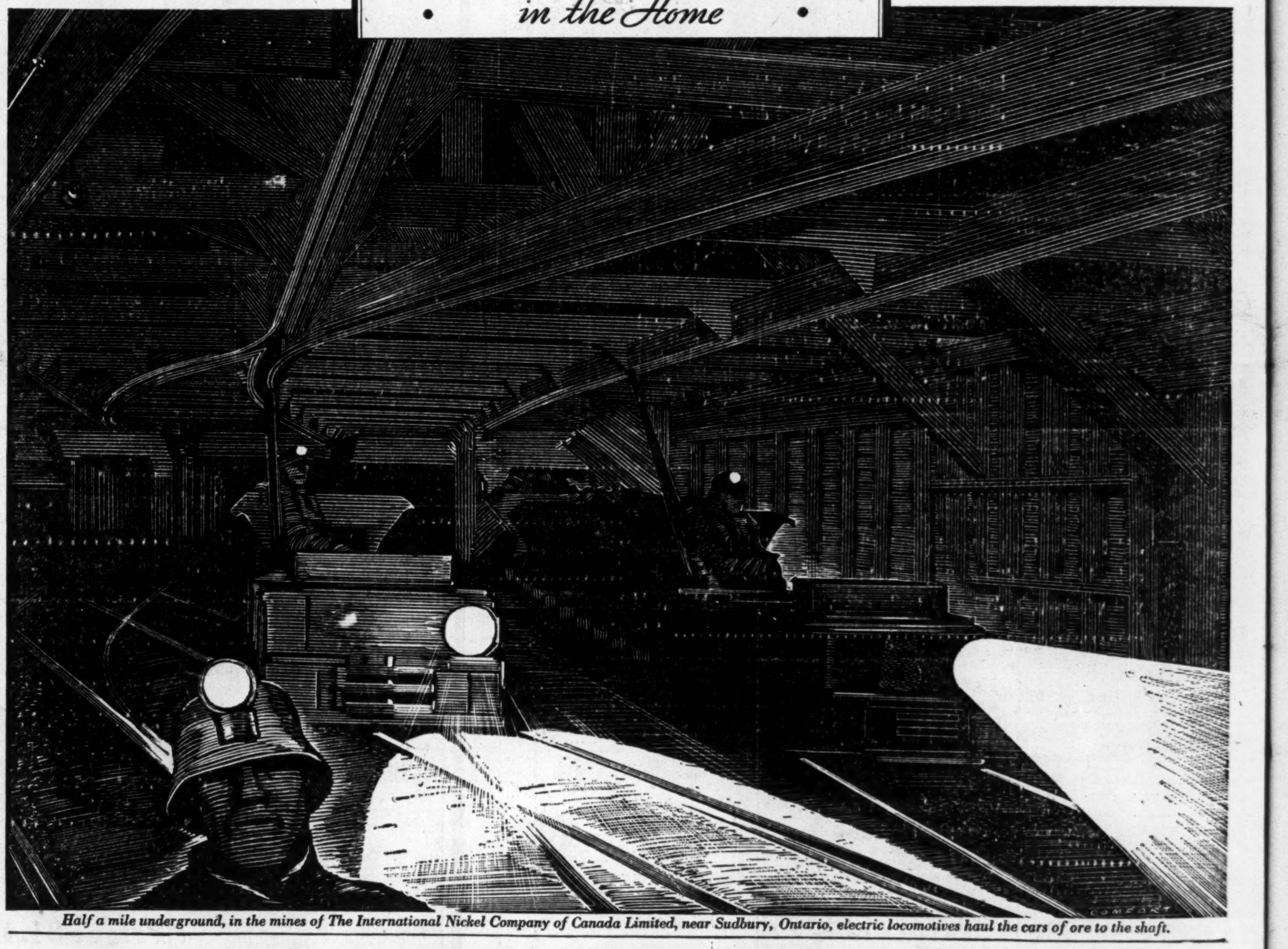
April 1, 1936

CANADIAN NICKEL
in the Home



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Millions of dollars are paid each year by this great industry for wages, for timber and steel, for freight and supplies — in order that an ample supply of Nickel may be available for the thousands of purposes for which it is used. When you buy articles of Nickel or containing Nickel you help to increase this circulation of money from the Nickel mines through practically all industrial channels in our land, even to the man who is engaged in making shoes or candles, growing wheat or livestock or felling timber in forests.

Ask your plumber for prices on Monel Metal hot water tanks. Plumbers and public utility companies are also able to supply automatic water heaters with Monel Metal tanks.

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THE FINANCIAL POST

SECOND SECTION

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"The Money Mystery"—By Sir Norman Angell

World Famous Economist Strips It of Technicalities, Confusion, Complications, And Puts It in Plain Everyday Language

Everyone Is Talking Money

It holds the centre of the world stage today in a brighter spotlight than ever. The depression and constant arguments over Social Credit, Townsend Plan, Inflation and other isms and cults as financial panaceas for our economic ills have clothed its importance with mystery. Some of the "cure-alls" are merely new forms of worthless experiments of other days; others are shiny, new ideas. If any of them are sound, all can be wealthy; if not, disaster will surely result.

It has all been most confusing to the Average Man. Once his idea about money was simply to know how to grab and hold it. Then came the spectacle of money vanishing from causes about which he knew nothing. In seeking the solution he has run into advocates of silver, gold and managed currency. Instead of getting light on the subject, the Average Man is finding he knows little about what money is for and how it works.

The Financial Post went to Sir Norman Angell, the world's most interesting writer on money, and asked him to strip the subject of all its technicalities and lay it bare in language that is understood by the layman. The famous authority has, as a result, prepared a series of thirteen articles on "The Money Mystery", the first of which appears herewith. These authoritative articles, which answer the plain man's questions, are the first of their kind ever to appear in a Canadian publication.

Economic Ignorance Threatening World

By SIR NORMAN ANGELL

"ALL I need to know about money," said a business man, who prided himself on being above all, practical, "is how to get plenty."

Without being an economist at all, one is able to see that this remark of the "practical" man is exceedingly foolish. The last few years have revealed again and again, for all the world to see, the spectacle of business men having managed to get plenty of money, and then losing it from causes for which they themselves were responsible, but of which they know nothing. Losing it, be it noted, not as the result of some hazardous speculation, but losing it even when they had held on to it in the form of bank deposits, or as actual currency lodged in safe deposit vaults.

Germany Tragic Illustration

We have seen that identical thing happening not only in Germany, in Austria, in Hungary, and Bulgaria, and in other central and east European states, but in Italy and in exceedingly rich countries like France. In Germany, where we have seen the most striking illustration, many rich men woke up one day to find that a fortune of five, ten, or fifteen million marks, as the case may have been, would not buy more than one meal. Money had become suddenly valueless.

In France, great fortunes in francs suddenly became small fortunes. Their owners found that four-fifths had disappeared. And although we in England and Canada have not suffered quite so much from this particular misbehavior of money, millions of our people have undergone great miseries, business has been utterly disorganized, many a great merchant has lost his fortune because of similar things which have happened to our money also—because it has been mismanaged, or because it has misbehaved.

Not Work of Radicals

Conservative business men are constantly pointing out the economic disasters which follow "revolutionary upheavals" and "wild Socialist schemes." Yet the economic upheavals which have actually occurred, which we witnessed in Central Europe between 1920 and 1930, were not the work of Socialist or other agitators. They followed from policies adopted by conservative and orderly governments, supported by ordinary business men. One of the most conservative and orthodox of modern economists, Lionel Robbins writes:

"All over the world, governments today are actively engaged, on a scale unprecedented in history, in restricting trade and enterprise and undermining the basis of capitalism. Such a policy is not confined to the Socialists. Indeed the political power of the Socialist parties in many parts of the world may be said to be waning."

May Be Sound But . . .

There are growing up in all countries, including Canada, schools of monetary reformers with very radical proposals. They may be sound proposals. If sound, if it be true that we can all become wealthy, and for ever relieved of worry and anxiety by a stroke of the pen, as it were, as an enormous and increasing number of voters in Canada, the United States and Great Britain are beginning to believe, then certainly we want to stand for such reforms. But if they are not sound, if they are a slightly varied version of plans so often advocated in the past, and, at times, put into operation with disastrous results to everybody, then plainly it is vital that we should be able to recognize them for what they are.

The difficulty of just "leaving it to the experts" is revealed by the attitude of the advocates of some of these reforms. They admit that experts —bankers, for instance—are against them, but explain their opposition by the fact that bankers are interested in opposing change because they profit unduly by the present system. We cannot judge whether that statement is true or not unless we know the rudiments of money and credit. And in the case of less radical reforms the point at issue is often really who is to pay the piper; whether debtor or creditor, bondholder or taxpayer should be favored. These, as already noted, are questions of social justice which it is not for the monetary expert, but the public itself, to decide.

* * *

Knowledge of Money Necessary

WITHOUT some knowledge upon which to base such decisions, democracy itself is impossible. To know what we are doing, what we are talking about when we discuss these matters, we must know something of the nature of money. Our whole civilization rests upon insecure foundations so long as most of us are completely ignorant of such a subject as this.

But, the reader may argue, is not the subject so complex that it is beyond hope for the laymen without long and special study to understand it? Had he not better leave the whole problem to the expert?

Now, if as the result of not knowing the thing at all the public formed no opinion on the subject, and really did leave decisions to the specialist, there would be a very great deal to be said for such a method. But the lay public is usually utterly contemptuous of the specialist's opinion, and forms strong, and usually quite fallacious, opinions on economic matters, and insists, often with electoral violence, that they be carried into effect.

Deliberately Follow Wrong Track

Of a whole series of financial and economic policies—especially those relating to such important things as reparations and debts—it is broadly true to say that for the last twenty years all the experts have been urging one line of policy, and all the governments following the exactly contrary line. A government may be aware it is following the wrong line, but be unable to do anything else because if it adopted the recommendations of the experts, an angry electorate, quite persuaded that the experts were all wrong, would have driven the government from office.

We feel, rightly, that we ought to know such simple facts of the physical world as that the earth is round and rotates on its axis. Yet false ideas about the subject would not alter the fact. The ships would still navigate, even though we believed the earth to be as flat as a pancake, for the captains of the ships would know better. But wrong ideas about finance when imposed on governments, as they often have been imposed, do alter the facts; many of the ships that might sail no longer sail, because the trade which keeps them going has been destroyed by wrong policy, the outcome of wrong ideas.

Nevertheless, it will be argued, the complexities of the subject remain. What use, it will be asked, is it for the layman to try to find out the truth in this matter when the experts themselves are in disagreement as to what the truth is?

The great danger today, both with the public and with education authorities, is that as assuming that there are no agreed truths in economics at all, and that, until the doctors decide what is right and what is wrong, the layman need not trouble his head about it. For this idea to continue, will be fatal not only to economic sanity, but to social sanity generally.

Economists Sometimes Agree

Now, it is true that certain aspects of the subject are difficult and complex, and that experts do disagree. But the points upon which public opinion has gone most astray, with the most disastrous consequences, are not the difficult and obscure points. Our worst errors have been due for the most part to misapprehension of quite simple things about which all economists, however much they may disagree otherwise, are in complete agreement. It is true to say of the policy of the last twenty-five years that if the public could have grasped certain economic truths concerning which no competent economist in the world differs from any other, we should still be faced with great difficulties, but we should have avoided the worst of the "blizzard" which has blown over the world during this generation. Its severity would have been enormously reduced.

Let us take an analogy.

* * *

Layman Must Assist

WE KNOW that doctors of medicine often differ as much as the doctors of economics; that medical men disagree about many important things, that their discussions are technical, and that the layman would often be at a loss if he had to follow or to choose between them, and that the "man who is his own doctor has a fool for his patient."

But does this mean that because doctors differ, medical science has not been able to confer great benefits on the world? Or that it is useless for the layman to bother himself with the subject?

The truth is that medical science, inexact as it so often is, has conferred enormous benefits on mankind. It has managed in Europe and America at least, to abolish black deaths, plagues of London, bubonic plagues, typhus, leprosy, and other pestilences which were once a daily terror in life. (In the thirteenth century it was estimated that nearly a third of the whole population were lepers).

Those terrors and horrors have been swept away, thanks to medical knowledge. But, and this is the point, the doctor has only been able to confer these vast benefits—benefits so great as to have transformed life—where the layman has learned something about medical science. In cases where the layman is completely ignorant, the doctor is powerless.

In the East, in India, and China, and other great areas of Asia, bubonic plague, cholera, typhus, and leprosy are still nearly as common as they used to be in Europe. The medical expert is unable to do for these countries what has already been done for Europe, abolish these pestilences, precisely because in the East, the layman has a degree of medical ignorance which, ignorant as we are in Europe and America, does not here exist.

Inexact as medical science is, the expert has been able to say: "There may not be many things about which we agree, but at least we agree about this, that though we cannot cure cholera or bubonic plague, we can prevent those pestilences taking place. We know that it is conveyed by micro-organisms transmitted through water or infected vermin, as the case may be. Keep sewage out of drinking-water and vermin from your homes, and these pestilences will not arise."

Have Taken Experts' Advice

Because we laymen have been able to follow the medical arguments, and only because we have been able to follow it, we have taken the expert's advice, and through the appropriate authorities of sanitary boards, city councils, or what not, have adopted the proper measures.

But where this rudimentary medical knowledge, some knowledge, that is, of the nature and processes of disease and its dissemination, does not exist; where the layman is convinced that the real nature of disease is not what the expert says —then the expert is helpless, quite unable to apply his knowledge.

If you look at the economic history of Europe and America during this last twenty years, you will be struck by the closeness with which the story of our economic pestilence corresponds to the story of physical pestilences in the East.

The thing which stood in the way of a much more rapid economic reconstruction in Europe after the war, particularly on the financial side, was not the fact of disagreement between the experts. In certain vital policies they were in complete agreement. The difficulty was to persuade the public, who would have none of the doctors' counsel. The war left Europe in great disorder, as an earthquake might have left a city, and practically all the economic experts of the world said the same thing to the governments: "Unless you abandon certain policies and adopt others you will have great economic pestilences. For while we economic experts differ about many things, there are certain conclusions about which we do agree."

Let us illustrate by the case of reparations.

A great international economist has declared that no single item of disturbance in the post-war period has wrought greater mischief than the fact that for twelve years the Allies refused to settle the reparations question, insisted on keeping it open. If they had done immediately after the war what in any case they were compelled to do twelve years later (at Lausanne in 1931), much of the economic chaos would have been avoided. The question was kept open, and the chaos worsened because in the last analysis the public were unable to see the point which all the experts were agreed upon, and so refused to do what the economic doctors told them to do.

What was the point that the public would not see? I suggest that it is not more difficult to understand than the point about transmission of disease.

Gold But Reparations Drop

After the war the Allies presented a bill of 24,000 million sterling gold, attaching to it, in effect, the condition that Germany should "pay in money, not in goods." Now, if the Allies had been able to get every ounce of gold in Germany, that would only have settled about one per cent of that bill. Assume that all this gold had been taken, how was the other ninety-nine per cent to be paid, since we would not accept goods? The usual answer was, "money."

* * *

ONE political figure in Great Britain (an M.P.) at that time had a plan. He would send a small British army to Germany, and order the German Government to load up motor trucks with the money that we were claiming. If the trucks were not loaded up by a given date two members of the German Cabinet, to be chosen by lot, were to be shot. The German Cabinet would then be given another week. If at the end of that week the trucks were not loaded, four members, to be chosen by lot, were to be shot. This member of parliament stated: "In two weeks I would have the money."

This present writer said:

"Suppose your plan succeeds and you bring that money to Paris or London. What do you propose to do with it there? The money you have collected is not gold, remember, because we have assumed that all Germany's gold, representing about one per cent of the claims against her, has been seized. This is paper money, representing the remaining ninety-nine per cent of the bill.

Impossible Conditions

"What do you do with German paper money in Paris or London? In these cities neither the butcher nor the baker will accept German paper marks; nor will the income-tax collector. That money is of value in one place in the world only, Germany, where you can exchange it for goods. But you have attached a condition about the conversion of that money into goods: the goods must not leave Germany. You have said that Germany must not increase her exports. Your plan, therefore, amounts to this: having collected this German money in the way you suggest, you bring it to England, distribute it among the population at large, who thereupon, presumably, must emigrate to Germany and stay there drinking German beer until the reparations are exhausted."

Is that point very difficult to see? Is it inherently more difficult to understand than the medical theory about the transmission of the micro-organisms? Yet while our people can see the medical truth (which millions of intelligent people in the East cannot be brought to believe and act upon), they cannot see the equally simple economic truth. It took us ten years to see and act upon a simple truth which, if realized and acted upon in time, would have saved infinite misery. It is doubtful whether the French see the point yet. The American senate certainly does not see it in respect of the British debt to the United States.

Public understanding of the debts question in America is today at the same stage that the European understanding of the reparations question was fourteen years ago.

Must Understand Truths

Unless our democracies can somehow be brought to see truths as simple as that which underlay the reparations problems our modern civilization cannot endure.

It is this consideration which has prompted this series of articles. Their purpose is not to enable the reader to become a banker or stockbroker, but a competent citizen, with enough understanding of the nature of money to discuss the question intelligently, to distinguish between good monetary policy and bad, between real reform and nostrums; able, that is, usefully to play his part as a voter and citizen in the management of his society.

Meet The Author

—Drawn from life by Evan Macdonald, O.S.A.

Sir Norman Angell

World famous as the author of the Nobel Prize Winner, "The Great Illusion," Sir Norman Angell is outstanding as a writer and lecturer on money and economics.

As a youth he lived in the western United States, ranching and prospecting, and later entered newspaper work returning to Europe in 1898 as correspondent for various U. S. newspapers.

He is the inventor of the "Money Game," a series of card games which teach the principles of elementary economics, particularly in relation to banking and currency. His "The Great Illusion" has been translated into almost every known language, and he is the author of a score of other works of a political and economic character.

Member of Parliament for North Bradford in 1929, he was created a knight in 1931 and has since travelled widely in Canada and the U. S. as a lecturer at universities and before gatherings of businessmen. He spoke before the Canadian Club of Toronto on his last visit to eastern Canada. His chief hobby is small yacht cruising. He is 62.

Prairie Fishing Fleet Goes Modern in Planes

"Here comes the fishing fleet."

Picture the eager fisher folk flocking to the shore, eyes straining through the mist while old men, women and children impatiently await the return of the first lugger from the Grand Banks.

It makes a pretty picture, but it is out of date.

Instead—Soaring through the sky, over parched prairies, with tons of freshly caught lake trout, the air-going fishing fleets of western Canada are daily depositing their cargoes on the outskirts of inland cities, thousands of miles from the nearest salt water. And all within a few hours of the time when the fish were taken from the water.

Instead of the picturesque fisher folk lining the shore, there are more likely to be groups of bored mechanics, airport officials, and fish-perfumed trucks awaiting the prairie fishing fleets of 1936.

Fishing is the latest industry to be invaded by the airplane, with a new type of "ship," a new type of "pilot" and brand new fishing "grounds" in western Canada. It was from the same area that Canada produced several of her most famous war-time fliers, and where some of these aces continue to fly airplanes through the northern areas, carrying mining passengers, equipment, freight, medicines and supplies—or fish.

Widewater on Route

Widewater, in northern Alberta, hears the hum of the fishing fleet overhead every day. It is piloted largely by men who know the northern wilds as well as their own back gardens. Most of them have made a nice living out of mining and passenger transport, but the intermittent revenue from airplane freight for mining purposes has prompted these enterprising westerners to seek other sources of income.

Their opportunity came when it was discovered that fish in lakes adjacent to railroads in northern Alberta were becoming depleted.

Fish prices in the west began to rise, and it became profitable for airplanes to make two or three trips daily into fishing grounds far to the north, as yet untouched by sportsmen or commercial fishermen. Some of the choicest lakes, lying hundreds of miles north of the more populated areas of Alberta, teemed with fish and it was toward these that the enterprising pilots pointed the noses of their planes.

Profitable and Fast

Burwash Fishing Co., of Widewater and the United Fishermen, of Faust, were among the first to sense the possibilities of airplane fish transport and these concerns are now operating planes into Peerless Lake and from their headquarters at Lesser Slave Lake.

The airplanes make two or three round trips a day, loaded with fresh fish, compared with two or three weeks for round trips when it was necessary to make the journey by team or sleigh.

In northern Saskatchewan too the plane has been used with success for flying fish to the railhead at Prince Albert and rushed packed in ice to Chicago markets. This business has been so profitable that few of the tasty trout and whitefish are available for residents on the prairie in the south.

Fifty miles long, Peerless Lake has a width of about ten miles. It lies midway between Peace River and McMurray and its waters are plentifully supplied with lake trout weighing up to 35 and 40 pounds each.

This fisherman's paradise has not yet been discovered by hook and line fishermen and at the moment it is the most profitable source of supply for the northern aerial fishermen.

New Books

THE FRONTIERS OF ENGLAND. By Sir Arthur Willert. Published by the Ryerson Press, Toronto. Price $3.50.

About a year ago, Sir Arthur Willert resigned from his post as head of the information department of the British foreign office and took a motor tour through much of Europe. In this volume he relates, interprets and enlarges upon what he saw and learned. Enjoying a most unique opportunity for intimate conversation with the best informed people in the countries he visited and having as well a thorough understanding of the long term implications of contemporary policies and events, he was able to peer behind the veil of current controversy to the inward meaning of Europe's confusion. Sir Arthur competently interprets the psychological aspects of the European mad-house. His volume ought to be regarded as required reading for everyone now attempting to understand the current crisis.

The average reader will feel deeply indebted to the author for the consideration he shows in explaining the background of many events that are so familiar to most writers on foreign subjects that they assume their readers understand them equally well. There are not many people nowadays who have the time or the facilities for keeping themselves posted in detail on international developments. Most people ignore the events leading up to a crisis and then find themselves unable to understand the crisis when it develops. They often get scant courtesy from students of foreign affairs, who plunge into the middle of a subject in a manner that assumes an ability on the part of their readers to appreciate all their finer points. Sir Arthur explains carefully and interprets as he goes along, and thus his volume is one of the few recent volumes on foreign affairs that is truly informative.

There is perfect good temper and fairness in his discussion of Germany under Hitler, of Austria, of the Balkans and of Italy, that give the reader confidence in the author's judgment and sense of justice.

The last few chapters are addressed to the people of England. They call for an abandonment of the effort to isolate England from Europe and ask Britain to throw its full weight behind the League of Nations and the collective system and to co-operate more generously than at present in finally bringing peace to the world.

BRITISH BANKS AND THE LONDON MARKET. By R. J. Truptil. Published by Jonathan Cape, Toronto. Price $2.50.

London's "City" has always been an awe inspiring subject for most students of finance. This has been due, not entirely to the puzzling wizardry of which its inhabitants are reputedly masters, but in part, also, to inability to correctly correlate the various banking groups of which it is comprised.

In this study of the world's financial centre, Mr. Truptil has confined himself almost entirely to description, with a dash of historical background to give a proper perspective and to add to the reader's interest. His treatment has been to first give a description of the different banking houses, beginning with the Bank of England and continuing with the joint stock banks, the discount houses and bill brokers, and so on right down the list. With each of the groups is included a list of the component institutions and a theoretical composite balance sheet covering the resources of the principal houses.

To give the atmosphere of the city itself, the author has gone so far as to include an outline of its geography and of the character of those who direct its destinies.

The second section of the book follows logically from the first. It considers not only the relationship between the various groups, but goes on to deal with the policy of the British banks through the crisis and to briefly cover what may be the future of the system.

Purely explanatory and descriptive, the book is not apt to be the subject of much argument. It is, however, interestingly written and is an excellent background to an understanding of British finance. The volume contains much information never before adequately given, such as the listing of the connections of Bank of England directors.

THE BIRTH OF WESTERN CANADA. By George F. G. Stanley.

This book is a study of the problem of the frontier, the clash between primitive and civilized peoples, as illustrated in Western Canada by the Riel Rebellions of 1869-70 and 1885. It is the result of several years research at the Hudson's Bay Company, the Public Record Office (London), the Public Archives of Canada (Ottawa), and the State Department (Washington, U.S.A.) The book is carefully documented; new material is brought to light and a new significance imparted to such topics as the transfer of the Northwest, the amnesty question, the Indian unrest, the part played by the white settlers and the political aftermath.

Messers. Longmans' Green & Co., Toronto, announce this book for publication in April.

CANADIAN RADIO BROADCASTING. The Ashcroft Plan. By R. W. Ashcroft, C.P.R. Building, Toronto.

Mr. Ashcroft reports that he has had so many requests for copies of his plan since The Financial Post published excerpts from it that he has had it printed in permanent form.

Mr. Ashcroft advocated the essential features of this plan as far back as 1929. He believes that the experiment with government management of broadcasting has shown the desirability and feasibility of his suggestions. He is convinced that by a more judicious use of the aid of large advertisers and with the expenditure on government account of very little more money than is now being used, much superior service can be given from coast to coast. But a necessary prelude he believes to be the return of broadcasting to private companies with the government in supreme control but not interfering with details of management.

"FOREIGN COMMERCE YEAR BOOK, 1935."—United States Government Printing Office, Washington. Price $1.25.

After a lapse of one year, the Bureau of Foreign and Domestic Commerce has again published a most valuable compilation of foreign economic statistics.

Condensed into less than 400 pages, the volume is one of the most complete and useful handbooks on the countries of the world outside the United States that is published anywhere. The only added features of the new edition are amplification of the use of value figures (in addition to quantity figures always shown) for agricultural and industrial production, and increased attention to data on literacy and and also inclusion of statistics of bankruptcies.

The book is packed with facts about the area, population, industrial, financial and trade conditions of the various countries of the world condensed in brief and usable form.

Branded Beef Sales

The increase in the sales of branded beef in Canada during 1935, compared with the year 1931 when the sale of branded beef was initiated was 22,522,558 pounds. The increase in 1935 compared with 1934 was 187,552 pounds.

Fire Insurance Group and Company Experience in 1935

Fire Insurers Record Unusually Good Year

Few Changes in Relative Standing of Larger Companies — Loss Ratio at New Low

Fire insurance companies in Canada experienced the best year in history in 1935.

Improvement was fairly general, with most of the company groups and individual companies recording a loss ratio substantially under those of previous years. Volume of premiums written during the year showed shrinkage, but the decline in losses was proportionately even greater. As a result the ratio of losses incurred to net premiums earned dropped to 37.73, the lowest point reached in the 65 years for which statistics are available.

The previous low was reached back in 1902 at 39.26. In the past three years the ratio has skidded from 61.50 to 48.41 to 41.67 and now to the exceptionally low 37.73. Informed opinion tends to the belief that the downward trend has just about ended, however, and early experience for 1936 appears to substantiate this view.

Few Changes in Ranking

Last year's business resulted in very few changes in the relative standing of the various underwriting groups. Gauged by net premiums written, the Royal group of companies again heads the field, holding a substantial margin over the London and Lancashire. In the first five the only change is the advance of the Commercial Union group to fourth position, the Liverpool and London and Globe now occupying the fifth rung.

Only one other change is apparent in the first ten groups, the Wawanesa having taken tenth position from the Sun group. Shaw and Begg is once more the largest non-tariff underwriter. Northwestern Mutual has the distinction of being the largest individual underwriter, apart from those included in the groups.

Less Written by Board Companies

The lower volume of business written was due to board companies. Non-board companies — joint stock, mutuals and reciprocals — report a higher total. This is due in part to the classification of the General Accident group, the Dominion of Canada General group and the Union of Paris as non-board. These were formerly listed as board companies and their 1935 business was done mostly at board rates. However, either in 1935 or since, they have withdrawn from the Canadian Underwriters Association.

The analysis of 1935 results which appears in the accompanying columns is based on official returns for Dominion registered companies and includes also figures of the chief provincial licensed insurers supplied by the Ontario department of insurance.

RANKING OF LEADING FIRE UNDERWRITERS IN CANADA, 1935

Company Groups:	Net prems. written 1935 $	Net prems. written 1934 $	Earned loss ratio 1935 %	1934 %	1933 %	1932 %	1931 %
Royal	2,264,210	2,477,864	37.61	43.44	46.30	56.16	53.20
London & Lancashire	1,813,760	1,857,945	32.34	41.20	46.47	59.99	60.00
Phoenix of London	1,619,379	1,748,866	32.05	43.58	53.77	56.42	60.20
Commercial Union	1,559,492	1,612,263	36.16	37.12	49.98	55.16	56.20
Liverpool & London & Globe	1,470,520	1,633,495	35.72	43.42	49.94	63.66	56.30
Shaw & Begg	1,207,927	1,242,714	....	49.10	42.73	64.43	59.62
Home	1,194,404	1,210,457	39.70	36.32	70.83	88.78	70.42
Ontario Cash Mutuals	1,126,126	1,102,608	....	....	54.1	65.5	74.1
British America-Western	1,074,846	1,086,785	27.12	38.60	43.83	55.32	60.30
Wawanesa	1,073,660	864,892	39.07	47.65	50.62	63.59	68.01
Sun	1,041,243	994,454	35.69	39.23	52.81	57.84	62.70
Royal Exchange	974,889	980,722	35.79	32.55	43.12	50.71	49.90
Norwich Union	893,305	901,249	36.23	41.63	49.73	58.46	56.20
Guardian	867,999	888,549	33.61	49.27	51.17	56.87	57.30
Massie & Renwick	846,294	874,559	38.58	34.81	36.03	48.34	55.90
North British & Mercantile	821,505	901,562	35.29	36.82	56.81	51.62	49.90
America Fore	810,185	928,533	37.59	37.72	45.81	57.82	60.10
J. E. Clement	763,750	738,296	47.68	52.54	54.44	58.35	68.18
Northern	755,953	781,546	35.34	41.58	52.20	68.21	55.40
North American	738,380	659,512	37.71	47.78	48.02	55.33	64.30
Eagle Star	727,135	750,025	35.67	33.87	47.74	53.39	58.90
Employers' Liability	698,836	744,975	34.66	37.40	37.20	57.08	55.50
Prudential	690,879	663,066	44.61	46.21	44.74	....	....
Hardware Mutuals	677,047	624,912	50.03	27.18	26.08	50.31	39.80
Hartford	646,830	779,090	31.50	40.42	43.29	48.62	47.90
Corroon & Reynolds	631,776	476,226	52.27	50.84	54.54	69.46	66.40
Willis Faber	612,748	603,216	41.53	43.24	64.53	68.73	55.90
*Northwestern Mutual	570,129	576,697	36.64	33.72	39.05	64.66	39.44
*Grain Insurance	551,356	563,066	16.76	41.11	12.38	45.47	46.26
Atlas	527,795	587,824	34.34	36.28	42.88	55.00	59.30
Great American	503,453	538,297	42.43	46.52	50.08	64.71	74.70
Union of Canton	500,289	485,085	32.95	28.58	36.53	53.36	42.00
London Assurance	496,564	507,891	31.75	37.27	49.52	56.34	54.90
Phoenix of Hartford	490,094	481,767	31.66	29.38	44.02	57.24	52.90
General Accident	458 849	436,912	35.66	27.17	45.51	40.62	52.60
Century	428,990	439,467	27.12	34.92	53.00	58.29	45.70
Canadian Fire	422,554	442,127	29.82	29.97	38.01	40.81	51.30
Aetna Fire	411,693	434,265	38.02	33.49	36.56	54.15	47.40
*Commerce Mutual	368,690	335,247	39.05	44.62	52.91	46.55	45.99
Alliance	363,629	381,420	36.85	40.25	40.60	50.70	66.90
*General of America	357,081	293,256	34.39	26.00	31.73	72.15	37.25
Caledonian	335,738	340,083	43.15	32.85	45.58	52.48	42.10
*Portage la Prairie	328,783	397,324	47.86	49.28	48.23	89.00	74.11
Yorkshire	325,917	336,660	37.85	45.61	44.00	53.68	62.10
Scottish Union	308,201	377,345	50.46	51.52	48.00	63.45	57.60
Springfield	298,123	300,726	44.16	58.99	57.61	81.35	64.30
*Stanstead & Sherbrooke	296,046	325,855	39.25	42.47	....	....	....
P. J. Perrin	295,621	290,650	48.89	50.93	....	....	....
Canadian General	277,078	345,969	37.96	41.77	48.79	62.30	69.67
Wm. Thompson	274,614	272,238	31.64	41.99	44.71	48.96	54.23
*Travelers Fire	264,655	196,511	46.58	60.17	32.44	79.36	89.51
Associated Reciprocal Und.	260,870	238,048	26.34	17.93	20.24	35.97	....
*National Fire of Hartford	257,557	279,254	48.48	32.17	69.58	62.90	55.84
Pearl	257,222	200,173	94.37	28.30	37.18	58.46	74.52
General Fire of Paris	256,636	283,930	42.51	41.61	56.86	62.69	58.10
Muir Beddal	245,543	269,554	48.55	64.84	70.80	87.95	81.49
*Millowners' Mutual	240,482	258,293	35.75	28.14	41.05	48.01	57.89
St. Paul	227,367	231,671	33.29	30.57	41.02	89.20	54.30
*Ocean Accident	223,750	225,072	30.48	27.64	55.17	65.11	50.26
Dominion of Canada	219,717	229,090	21.25	31.46	30.94	39.34	33.20
Firemen's Fund	212,299	241,713	36.03	40.53	49.91	71.16	62.00

*Asterisk denotes individual company; others are groups.
‡This ratio based on net losses exclusive of adjustment expenses.

Fire Insurance Experience in Canada, 1935, Analyzed by Groups and Individual Companies

GROUPS AND COMPANIES RANKED IN ORDER OF NET PREMIUMS WRITTEN
(Federal Insurance Department figures except where stated otherwise)

BOARD COMPANIES

(A)—Group Experience:	Net premiums written 1935 $	Net losses incurred 1935 $	Ratio of losses incurred to premiums earned 1935 %	1934 %	1933 %	1932 %	1931 %
(1) Royal Group:							
Pioneer Insurance	91,315	36,855	38.30	44.12	51.49	51.02	54.45
Queen Ins. of America	467,574	188,369	38.23	44.05	50.77	53.79	53.99
Royal Insurance	1,431,270	559,474	37.23	43.08	43.83	57.55	52.85
Hudson Bay	162,337	65,520	38.30	44.12	51.21	53.12	54.21
Newark Fire	111,714	45,044	38.27	43.95	49.94	55.61	54.29
Total	2,264,210	895,262	37.61	43.44	46.30	56.16	53.20
(2) London & Lancashire Group:							
Law, Union & Rock	285,900	83,301	27.87	32.34	46.28	54.56	59.94
London & Lancashire Insur.	971,987	352,920	35.50	44.12	45.13	59.99	67.21
London & Lancashire G. & A.	37,130	5,522	18.06	26.38	34.18	39.00	46.25
Mercantile Fire	115,873	30,502	27.58	32.03	30.85	43.15	42.44
Quebec Fire	130,145	43,679	31.87	50.85	38.03	52.11	45.91
*Queen City	73,123	21,461	28.33	44.18	59.07	39.52	60.72
*Hand-in-Hand	47,358	20,102	42.80	46.95	89.09	57.34	55.25
*Merchants	152,044	41,800	26.29	36.75	55.38	44.51	44.10
Total	1,813,760	599,287	32.34	41.20	46.47	59.99	60.00
*Provincial licensed companies; official figures.							
(3) Phoenix of London Group:							
Acadia	193,565	66,277	32.90	39.73	49.50	56.56	58.96
Columbia	64,573	22,092	32.88	39.73	49.16	56.57	55.99
Imperial Assur.	98,721	48,960	42.56	27.16	49.12	56.61	57.55
London Guar. & Acc.	129,145	44,185	32.88	39.73	49.50	56.93	41.63
North Empire Fire	129,145	44,185	32.88	39.73	49.15	56.70	54.12
Phoenix of London	826,661	256,905	30.02	47.35	57.66	55.87	63.05
Union Marine Ins. Co.	112,996	37,736	32.31	39.72	50.98	59.71	66.12
United Firemen's	64,573	22,092	32.88	39.73	49.16	56.57	59.76
Total	1,619,379	542,432	32.05	43.58	53.77	56.42	60.20
(4) Commercial Union Group:							
Commercial Union Assurance	646,054	243,831	36.80	37.43	50.36	56.64	54.50
Commercial Union Fire	13,433	4,899	35.27	36.29	47.25	52.27	67.29
Palatine Insurance	188,061	69,597	35.56	37.61	50.77	64.79	51.90
British & European	40,298	14,699	35.44	36.56	48.42	35.51	67.64
British General	67,165	26,473	37.88	37.00	57.81	51.24	78.32
California	40,298	15,900	37.70	36.41	58.86	72.93	54.48
Canada Acc. & Fire	161,195	58,797	35.44	36.60	47.28	48.70	52.05
North West Fire	67,165	24,507	35.45	36.57	47.63	45.90	54.76
American Central	67,164	24,498	35.44	36.60	48.94	56.73	100.46
Union of London	268,659	96,649	35.36	36.87	47.89	51.03	45.70
Total	1,559,492	581,850	36.16	37.12	49.98	55.16	56.20
(5) Liverpool & London & Globe Group:							
Central Insurance	103,789	41,890	38.30	44.12	49.52	38.00	49.48
Globe Indemnity	129,734	52,362	38.30	44.12	59.50	51.68	51.60
Liverpool & London & Globe	925,629	339,968	34.23	43.03	49.13	71.67	57.38
Liverpool-Manitoba	207,579	83,779	38.30	44.12	49.49	51.08	55.86
National-Liverpool	103,789	41,890	38.30	44.12	48.89	53.97	57.06
Total	1,470,520	559,889	35.72	43.42	49.94	63.66	56.30
(6) Home Group:*							
City of New York, Franklin, Home, Homestead, National Liberty, New Brunswick	1,194,404	488,779	39.70	36.32	70.83	88.78	70.42
*All Home business in Canada reinsured in Home Insurance Co.							
(7) British America-Western Group:							
British America	336,467	98,230	28.54	38.93	44.20	53.66	59.52
British Canadian	64,438	18,391	28.56	39.27	44.58	53.65	63.49
British Empire Assurance	90,753	25,507	28.56	39.23	43.71	54.53	61.91
Imperial Guar. & Accid.	44,772	12,502	28.48	37.70	45.00	53.65	61.02
Western Assurance	461 666	134,238	28.55	38.94	44.48	53.67	59.71
North River Ins.	76,750	6,725	8.64	33.72	37.05	75.78	61.08
Total	1,074,846	295,733	27.12	38.60	43.83	55.32	60.30
(8) Sun Group:							
Imperial Insurance	129,145	44,185	32.88	39.73	49.16	43.87	54.79
Patriotic Assurance	125 922	35,406	27.26	46.84	62.02	71.58	69.47
Planet Assurance	79,083	20,179	26.14	36.92	40.10	61.34	77.29
Sun Insurance	611,941	250,767	39.92	37.01	52.70	57.64	60.77
London & County	95,172	26,887	30.63	65.95	59.16	48.66	....
Total	1,041,243	377,424	35.69	39.23	52.81	57.84	62.70
(9) Royal Exchange Group:							
Car & General	141,992	60,143	40.73	41.34	33.09	52.68	39.80
Local Government	57,826	21,020	35.40	31.81	45.50	45.12	40.44
National Provincial	108,583	42,480	36.57	38.97	55.40	55.09	40.43
Royal Exchange	437,943	167,854	36.19	31.86	44.10	47.47	57.27
State Assurance	67,518	27,730	28.24	27.35	47.17	36.50	49.07
Motor Union	57,545	16,255	26.30	27.46	35.45	88.96	53.21
United British	50,239	13,446	25.24	52.10	35.55	39.22	36.22
Total	921,646	348,928	35.79	32.55	43.12	50.71	49.90
(10) Norwich Union Group:							
Canada Security	133,213	40,188	30.00	44.94	45.11	50.12	44.74
Norwich Union	760,092	284,106	37.32	41.05	50.55	59.91	58.07
Total	893,305	324,294	36.23	41.63	49.73	58.46	56.20
(11) Guardian Group:							
Guardian Assurance	765,186	260,475	33.70	48.50	50.99	57.45	56.93
Guardian Ins. of Canada	102,813	34,789	32.93	54.88	52.51	52.59	60.74
Total	867,999	295,264	33.61	49.27	51.17	56.87	57.30
(12) North British & Mercantile Group:							
North British	652,830	256,430	36.81	38.19	59.35	55.31	50.37
Occidental Fire	127,966	38,558	27.97	33.29	47.08	42.88	45.04
Railway Passengers	40,709	13,836	34.18	24.98	47.91	19.08	65.63
Total	821,505	308,824	35.29	36.82	56.81	51.62	49.90
(13) America Fore Group:							
Continental Insurance	234,166	112,464	37.26	40.06	42.39	62.40	54.88
Fidelity-Phenix of N. Y.	293,791	96,672	30.89	29.57	45.64	57.35	50.45
First American	45,482	21,034	48.32	45.52	74.30	45.85	46.09
Maryland Insurance	65,444	29,595	43.62	41.79	53.54	50.52	73.39
Niagara Fire	119,302	64,669	47.24	37.83	40.29	57.04	90.17
Total	810,185	324,434	37.59	37.72	45.81	57.82	60.10
(14) Northern Group:							
Northern Assurance	416,524	155,229	36.05	44.36	52.46	62.54	52.07
Royal Scottish	92,494	37,543	36.60	36.11	61.47	75.29	46.42
World Marine & Gen.	47,579	12,809	23.96	35.31	77.27	103.01	63.42
London & Scottish	76,982	23,680	29.42	35.50	44.00	48.43	56.70
Scottish Metropolitan	122,374	49,721	40.66	43.40	35.37	75.03	69.54
Total	755,953	278,982	35.34	41.58	52.20	68.21	55.40
(15) North American Group:							
Alliance Ins.	183,104	39,177	25.47	35.45	42.75	53.01	75.24
Ins. Co. of N. A.	497,182	206,654	42.21	50.43	49.15	55.99	63.15
Philadelphia Fire & Marine	58,094	17,810	31.93	51.16	48.79	52.13	7.19
Total	738,380	262,641	37.71	47.78	48.02	55.33	64.30
(16) Eagle Star Group:							
British Crown Assur.	264,805	95,712	35.43	39.30	60.70	67.34	55.41
British Northwestern	134,557	58,320	38.95	36.17	50.73	42.35	46.55
Eagle, Star & British Dom.	293,153	102,139	34.25	27.94	35.01	46.22	67.42
Security National	34,620	5,026	35.49	....	....	....	....
Total	727,135	261,197	35.67	33.87	47.74	53.39	58.90
(17) Employers' Liability Group:							
Employers' Liab.	530,328	203,684	36.50	38.96	36.52	62.55	54.12
Merchants' Marine	168,508	46,745	28.44	31.66	39.82	37.23	46.66
Total	698,836	250,429	34.66	37.40	37.20	57.08	55.50
(18) Prudential Group:							
Prudential of Eng.	518,902	214,748	42.52	46.11	44.55	73.01	46.26
Bee	171,977	78,906	51.53	46.62	46.32	....	....
Total	690,879	293,654	44.61	46.21	44.74	....	....
(19) Hartford Group:							
Citizens of N. J.	21,091	8,747	36.71	46.37	17.82	58.39	32.75
Hartford Fire	505,432	181,870	30.83	39.06	42.47	47.74	46.72
London-Canada	120,307	43,410	33.61	46.01	52.71	51.05	53.29
Total	646,830	234,027	31.50	40.42	43.29	48.62	47.90
(20) Atlas Group:							
Atlas Assurance	467,992	174,894	34.61	36.24	43.43	55.56	60.79
Essex & Suffolk	59,803	21,422	32.34	36.53	38.83	50.49	46.36
Total	527,795	196,316	34.34	36.28	42.88	55.00	59.30
(21) Great American Group:							
American Alliance	59,261	25,235	46.12	47.09	54.10	70.62	89.82
Great American	434,255	205,123	42.01	46.44	49.62	64.01	69.69
County Fire	9,937	4,676	42.71	47.80	55.98	76.05	101.07
Total	503,453	235,034	42.43	46.52	50.08	64.71	74.70
(22) Union of Canton Group:							
Beaver Fire	22,253	5,966	23.81	27.99	31.30	33.88	42.51
British Traders	156,305	52,845	33.19	30.69	42.33	39.19	48.20
China Fire	25,429	7,793	33.60	11.13	21.27	144.98	57.85
Union of Canton	296,302	92,357	33.60	29.01	34.97	54.43	37.19
Total	500,289	158,961	32.95	28.58	36.53	53.36	42.00
(23) London Assurance Group:							
British Law	68,265	17,669	25 56	31.88	49.24	20.98	86.77
London Assurance	359,725	116,474	31.45	37.91	49.57	63.08	47.67
Guildhall Ins.	68,574	27,000	39.63	40.03	49.52	54.53	65.86
Total	496,564	161,143	31.75	37.27	49.52	56.34	54.90
(24) Phoenix of Hartford Group:							
Connecticut Fire	149,995	46,661	33.14	30.34	42.44	56.75	51.09
Equitable Fire & Marine	28,199	9,332	33.13	30.36	42.44	56.76	51.07
Phoenix of Hartford	233,649	77,323	33.13	30.35	42.44	56.75	51.07
Reliance of Canada	78,251	16,586	23.39	23.53	31.62	37.53	48.75
Total	490,094	149,902	31.68	29.38	*44.02	*57.24	*52.90
*Including Westchester Fire and Providence Washington omitted from group in 1934 and 1935.							
(25) Century Group:							
Anglo-Scottish	121,699	36,938	28.61	33.81	47.91	55.95	44.15
Pacific Coast Fire	94,600	27,262	27.26	33.87	50.06	54.89	48.51
Southern Insurance	36,287	9,122	24.68	39.91	47.63	27.91	13.88
Century Insurance	176,404	45,459	26.43	36.02	60.91	63.44	46.45
Total	428,990	118,781	27.12	34.92	53.00	58.29	45.70
(26) Canadian Fire Group:							
Canadian Fire	313,832	95,728	29.24	29.07	36.76	38.81	50.48
Canadian Indemnity	108,722	37,138	31.41	32.50	41.81	47.09	53.19
Total	422,554	132,866	29.82	29.97	38.01	40.81	51.30
(27) Aetna Fire Group:							
Aetna Insurance	352,081	139,236	38.41	32.26	74.73	50.54	47.21
World Fire & Marine	59,612	22,865	35.77	39.85	48.04	68.80	48.20
Total	411,693	162,101	38.02	33.49	36.56	54.15	47.40
(28) Alliance Group:							
Alliance Assurance	363,629	139,496	36.85	40.25	40.62	50.67	66.86
Westminster Fire Office	......	......	....	....	....	....	....
Total	363,629	139,496	36.85	40.25	40.60	50.70	66.90
(29) Caledonian Group:							
Caledonian	283,837	124,094	42.31	33.85	46.48	53.85	43.90
Caledonian-American	51,901	24,034	48.04	26.67	49.84	44.36	31.07
Total	335,738	148,128	43.15	32.85	45.58	52.48	42.10
(30) Yorkshire Group:							
London & Provincial	47,397	17,902	39.11	34.82	44.35	81.14	66.63
Yorkshire Insurance	278,520	107,365	37.64	47.11	43.95	49.98	61.18
Total	325,917	125,267	37.85	45.61	44.00	53.68	62.10
(31) Scottish Union Group:							
Scottish Union	297,284	169,861	50.38	50.72	48.28	64.14	58.02
Central Union	10,917	6,844	52.62	78.59	41.01	43.92	44.76
Total	308,201	176,705	50.46	51.52	48.00	63.45	57.60
(32) Springfield Group:							
Sentinel Fire	6,813	3,214	46.15	53.27	53.35	72.65	57.29
Springfield F. & M.	264,069	119,437	44.28	59.79	57.74	82.64	60.31
Michigan Fire	27,251	12,857	46.12	52.69	56.91	73.48	93.94
Total	298,123	134,508	44.16	58.99	57.61	81.35	64.30
(33) Wm. Thompson Group:							
Security of New Haven	74,422	17,435	23.08	43.14	41.56	48.54	59.06
American Insurance	78,657	35,829	43.70	44.51	43.27	54.07	60.47
Fire Assoc. of Philadelphia	121,535	33,634	28.02	38.72	48.66	48.44	48.08
Total	274,614	86,898	31.64	41.99	44.71	*48.96	*54.23
*Including Universal experience.							
(34) Pearl Group:							
Pearl Assurance	254,567	224,047	94.73	28.30	37.18	58.46	74.52
Eureka-Security Fire & Mar.	2,655	65	6.65	....	....	....	....
Pearl Underwriters*	......	......	....	....	....	....	....
Total	257,222	224,112	94.37	28.30	37.18	58.46	74.52
*Formerly Stuyvesant, all business reinsured with Pearl Assurance.							
(35) General Fire of Paris Group:							
General Fire of Paris	130,473	64,174	48.37	41.43	56.73	66.58	56.36
Phenix Fire of Paris	126,163	58,066	46.59	41.82	57.00	58.59	59.98
Total	256,636	122,240	47.51	41.61	56.86	62.69	58.10
(36) Muir Beddal (Canada) Ltd. Group:							
Legal and General	179,906	89,748	49.79	64.73	66.83	89.78	81.49
Urbaine	65,637	32,288	45.42	65.14	84.37	71.57	....
Total	245,543	122,036	48.55	64.84	70.80	87.95	81.49
(37) St. Paul Group:							
Mercury Insurance	71,523	20,967	29.47	26.16	35.34	70.26	59.18
St. Paul Fire & Marine	155,844	54,953	35.03	32.76	43.61	97.04	52.60
Total	227,367	75,920	33.29	30.57	41.02	89.20	54.30
(38) Firemen's Fund Group:							
Firemen's Fund	150,551	51,084	32.77	39.85	52.21	73.83	61.33
Home Fire & Marine	61,748	29,032	43.67	42.09	43.94	62.36	66.08
Total	212,299	80,116	36.03	40.53	49.91	71.16	62.00
(39) Dale & Company Group:							
Hanover Fire	82,747	40,014	48.05	55.98	47.41	64.03	72.74
National Union	104,892	57,764	51.42	62.52	50.71	72.35	59.26
Total	187,639	97,778	49.98	59.74	49.25	68.39	64.88
(40) R. de Grande Pre Group:							
Granite State Fire	31,932	13,147	43.36	50.40	51.49	63.02	78.33
New Hampshire Fire	147,779	51,118	38.62	48.25	57.49	56.86	68.90
Total	179,711	64,265	39.50	48.62	56.50	57.87	70.20
(41) Canadian Surety Group:							
Camden Fire	49,298	22,857	46.56	66.26	57.87	73.47	85.99
Canadian Surety Co.	49,606	16,720	38.22	38.77	43.52	60.16	60.19
Total	98,904	39,577	42.63	54.45	51.65	67.69	76.00
(42) Individual Companies:							
Grain Ins. & Guar.	551,256	94,185	16.76	41.11	12.38	45.47	46.26
Nat. Fire of Hartford	257,557	139,670	48.48	32.17	69.58	62.90	55.84
Ocean Accident & Guar.	223,750	66,499	30.48	27.64	55.17	65.11	50.26
United States Fire	176,031	64,761	25.90	44.98	56.58	45.40	60.49
Travelers Fire	264,655	105,685	46.58	60.17	32.44	79.36	89.51
Glens Falls	108,155	38,075	36.40	41.26	75.86	74.86	48.46
Ins. Co. of Penn.	—23	1,306	28.07	19.15	69.81	61.82	63.14
Sea Insurance	112,192	44,273	40.51	32.46	55.05	58.21	68.14
Transcontinental	7,830	7,139	67.98	143.33	59.44	102.13	14.91
New York Underwriters	162,713	28,220	23.10	33.80	32.59	40.28	45.88
Bankers & Traders	42,940	19,088	46.98	37.71	34.11	39.46	42.06
Rhode Island	92,366	36,988	48.75	80.27	36.74	63.51	....
Queensland	8,749	2,833	30.66	39.76	1.25	109.72	23.92
Boston Ins.	58,026	16,853	28.75	44.50	41.87	66.37	75.46
Westchester Fire	112,311	37,162	35.40	25.06	47.16	51.96	55.96
Agricultural Co. of N. Y.	59,265	46,943	82.38	32.31	52.65	85.42	65.96
Providence Washington	92,363	30,633	34.87	20.45	58.73	82.74	60.11
Tokio Marine & Fire	36,025	12,165	33.25	23.93	78.78	29.66	47.85
TOTAL BOARD COS.	30,333,786	11,319,096	36.28	40.50	49.01	59.50	58.00

Non-Board Companies

(A) Groups	Net premiums written 1935 $	Net losses incurred 1935 $	1935 %	1934 %	1933 %	1932 %	1931 %
(43) Shaw & Begg Groups:							
Consolidated	92,543	40,059	48.61	68.11	62.05	96.89	102.90
Bankers & Shippers	112,532	28,377	32.76	....	....	....	....
Federal†	204,538	67,581	24.63	48.81	48.72	55.67	56.60
Lumbermen's Insurance	79,172	23,106	28.72	42.96	46.94	51.42	48.94
Merchants' Fire Assur.	185,292	52,165	28.35	47.85	38.38	63.25	52.37
Millers National	100,519	46,195	38.88	60.19	39.24	73.93	68.23
New Jersey Insurance	42,548	15,953	34.51	25.75	34.30	54.65	39.72
Pacific Fire	144,676	72,572	39.58	53.05	38.03	71.84	66.91
Wellington†	246,107	94,395	41.37	41.77	45.05	50.27	52.28
Total	1,207,927	440,403	36.54	49.10	*42.73	*64.43	*59.62
†Provincial licensed company; official figures. *Including Stuyvesant (now Pearl Underwriters) prior to 1934.							
(44) Massie & Renwick Group:							
Dominion Fire	280,255	100,476	36.78	35.88	38.95	47.05	47.54
Ensign Insurance	67,105	24,534	36.90	31.69	37.36	39.05	52.94
Firemen's Ins.	165,000	64,144	36.08	27.95	37.16	50.08	58.47
Girard Fire & Marine	29,331	14,167	48.23	26.65	34.56	78.94	66.73
National Ben Franklin	151,727	67,245	42.88	44.29	33.25	53.43	64.01
Northwestern National	152,876	62,189	36.96	35.45	33.16	42.00	54.73
Total	846,294	232,755	38.58	34.81	36.03	48.34	55.90
(45) J. E. Clements Ins. Group:							
Fire Ins. of Canada	287,378	130,083	45.96	51.63	49.74	57.74	61.59
Excess	12,688	1	0.04	....	....	....	....
Nationale of Paris	463,684	225,042	48.99	53.10	57.18	55.32	71.86
Total	763,750	355,126	47.68	52.54	54.44	58.35	68.16
(46) Corroon & Reynolds Group:							
Merchants & Manufacturers	193,507	95,411	53.22	41.14	59.71	74.45	55.76
American Equitable of N. Y.	242,670	70,964	36.90	59.18	54.52	55.84	81.09
New York Fire	195,599	119,222	63.22	52.67	52.12	72.70	66.60
Total	631,776	285,597	52.27	50.84	54.54	69.46	*66.40
*Including other companies not in group in 1934 and 1935.							
(47) Willis Faber Group:							
Provincial Ins.	287,447	138,675	49.59	48.15	63.73	82.14	50.83
Cornhill Ins.	224,567	71,685	33.13	38.76	64.92	58.44	53.83
British Oak	100,734	36,007	37.08	40.22	64.33	63.67	72.06
Total	612,748	246,367	41.53	43.24	*64.53	*†63.73	*†55.90
*Exclusive of British Oak not in group prior to 1934. †Including other companies not in group in 1933 and subsequent years.							
(48) General Accident Group:							
General Acc. of Canada	80,778	36,185	46.09	23.77	34.55	44.61	43.42
General Acc. F. & L.	305,852	92,991	32.55	30.78	51.54	39.64	53.73
Scottish Canadian	72,219	27,810	36.58	17.58	34.31	40.10	57.91
Total	458,849	156,986	35.66	27.17	45.51	40.62	52.60
(49) P. J. Perrin Group*:							
La Fonciere	213,852	98,279	50.04	50.10	42.11	68.44	71.70
Sussex Fire	81,769	37,484	46.14	53.04	50.97	85.61	71.78
Total	295,621	135,763	48.89	50.93	....	....	....
*Group as shown above complete only since 1934.							
(50) Canadian General Group:							
Toronto General*	146,082	55,919	37.17	42.49	53.57	65.62	74.41
Canadian General	130,996	48,622	38 90	40.61	43.35	58.54	64.01
Total	277,078	104,541	37.96	41.77	48.79	62.30	69.67
*Provincial licensed company; official figures.							
(51) Dominion of Canada Group:							
Casualty Co. of Canada	36,011	5,440	15.47	28.74	47.24	50.72	18.80
Dom. of Canada General	183,706	41,574	22.34	31.98	27.88	37.26	35.80
Total	219,717	47,014	21.25	31.46	30.94	39.34	33.20
(52) Provident Group:							
British Colonial	—74,823	1,061	37.29	58.51	68.47	74.60	....
Provident*	247,508	117,000	47.27	49.05	69.26	94.91	....
Switzerland General	......	......	......	....	....	....	....
Providence of Paris	132,446	62,320	51.14	39.94	53.24	52.73	106.13
Trans Canada	—111,743	4,562	....	48.79	56.56	57.94	70.35
Total	193,338	184,943	52.38	49.58	63.57	....	....
*Provincial licensed company; official figures.							
(53) T. Meunier Group:							
Rossia Insurance	100,347	42,485	38.51	43.98	46.52	58.09	66.45
Metropolitan Fire	75,533	20,254	27.46	42.65	54.33	72.79	....
Total	175,880	62,739	34.08	43.48	49.54	*68.90	....
*Including other companies not in group in 1933 and subsequent years.							
(54) B—Individual Companies:							
General of America	357,081	107,218	34.39	26.00	31.73	72.15	37.25
Halifax Fire	217,644	80,370	37.49	32.29	45.36	71.01	62.39
International	128,108	42,109	64.17	....	....	....	....
American Home Fire	129,177	58,349	49.44	36.21	69.18	69.39	64.37
Baloise Fire	126,260	74,295	57.64	52.18	53.89	77.86	77.28
American Reserve	82,619	27,276	30.33	59.26	48.22	74.01	104.74
Pilot†	24,021	13,667	65.62	61.40	88.33	112.74	29.74
Automobile	467	264	20.12	7.23	51.40	19.26	0.72
Union of Paris	183,278	70,115	39.10	42.27	63.48	82.18	62.88
Svea	4,750	22	1.25	....	....	....	....
†Provincial licensed company; official figures.							
TOTAL NON-BOARD JOINT STOCK	6,937,333	2,825,346	42.00	43.47	48.90	65.90	61.80

Mutual Companies

(A) Groups:	Net premiums written 1935 $	Net losses incurred 1935 $	1935 %	1934 %	1933 %	1932 %	1931 %
(55) Ontario Cash Mutuals Group:							
Economical Mutual†	313,143	100,180	33.66	33.81	45.3	67.2	60.4
Gore District Mut.†	334,605	107,260	34.12	40.40	45.7	72.3	69.9
Perth Mutual†	179,172	71,468	39.27	44.48	59.9	61.7	80.5
Waterloo Mutual†	299,206	123,214	41.46	51.55	65.6	60.4	87.1
Total	1,126,126	402,322	36.85	42.41	54.1	65.5	64.1
†Provincial licensed company; official figures.							
(56) Wawanesa Mutual Group:							
Wawanesa Mutual	1,029,272	351,558	39.06	47.65	50.62	63.59	68.01
Wapiti	44,388	15,843	39.17	....	....	....	....
Total	1,073,660	367,401	39.07	47.65	50.62	63.59	68.01
(57) Hardware Mutual Group:							
Hardware Dealers Mutual	213,603	104,707	48.52	26.92	26.08	50.31	39.80
Minnesota Implement Fire	226,247	105,611	47.46	26.97	26.08	50.31	39.80
Hardware Mutual	237,197	123,101	53.97	27.62	26.08	50.31	39.80
Total	677,047	333,419	50.03	27.18	26.08	50.31	39.80
(58) Lumbermen's Mutual Group:							
Central Manufacturers Mutual	73,745	29,214	35.50	17.31	23.64	65.54	34.54
Lumbermen's Mut. of Mansf.	54,075	39,083	71.20	44.19	39.16	81.83	25.31
Total	127,820	68,297	49.42	28.99	31.07	73.95	29.00
(59) B—Individual Companies:							
Northwestern Mutual	570,129	206,393	36.64	33.72	39.05	64.66	39.44
Portage la Prairie	328,783	190,878	47.86	49.28	48.23	89.00	74.11
Commerce Mutual	368,690	130,667	39.05	44.62	52.91	46.55	45.99
Stanstead & Sherbrooke*	296,046	115,867	39.25	42.47	....	....	....
Millowners Mutual	240,482	87,464	35.75	28.14	41.05	48.01	57.89
United Mutual	116,197	47,175	43.87	37.10	52.96	53.95	52.00
Lumber Mut. of Boston	92,310	62,283	69.80	24.22	61.79	87.50	....
Indiana Lumbermen's	60,873	30,000	52.03	39.54	43.91	166.63	....
Pennsylvania Lumbermen's	64,549	35,397	58.47	40.90	48.02	159.31	187.49
Kings Mutual	40,637	22,787	54.83	53.07	37.94	88.41	53.49
Ohio Farmers	54,222	23,565	53.57	25.40	35.17	61.63	13.63
Retail Lumbermen's	30,171	3,994	13.41	22.43	38.03	....	....
Union Mutual*	9,008	2,857	31.72	14.95	46.64	....	....
Pictou County Mut.	8,187	4,780	55.85	33.48	57.68	112.25	54.88
Antigonish Farm. Mut.	3,439	1,200	37.55	58.89	92.34	113.44	106.07
Cumberland Farm. Mut.	3,251	3,472	107.86	82.57	31.33	41.31	50.51
TOTAL MUTUAL COS.	5,291,627	2,140,898	41.74	39.20	44.94	....	....
*Provincial licensed company; official figures.							

Reciprocal Companies

	Net premiums written 1935 $	Net losses incurred 1935 $	1935 %	1934 %	1933 %	1932 %	1931 %
(60) Associated Reciprocal Underwriters Group:							
Affil. Underwriters	81,987	22,290	27.78	23.32	28.51	67.36	....
Fireproof Sprinklered	7,205	665	8.23	9.26	17.22	2.97	....
Individual Underw.	73,590	17,377	24.21	18.89	26.32	20.19	....
Metropolitan Inter-Insurers	45,932	12,927	30.47	12.49	15.26	40.33	....
N. Y. Reciprocal	52,156	13,721	26.51	15.17	6.59	22.42	....
Total	260,870	66,980	26.34	17.93	20.24	35.97	....
(61) Lumbermen's Und. Alliance Group:							
Inter Insurers Exch.	1,473	507	29.29	....	21.86	79.57	....
Lumbermen's U. Alliance	184,341	52,520	30.00	208.88	47.44	298.05	....
Underwriters' Exchange	7,419	2,533	31.67	0.24	6.37	11.76	....
Total	193,233	55,560	30.07	194.77	44.36	281.86	....
(62) Individual Companies:							
Manufacturing Lumbermen's	131,767	32,218	31.46	270.96	71.03	206.40	....
American Exchange U.	10,206	192	1.78	0.68	3.64	1.56	....
Candn. Recip. Underwriters*	34,537	13,230	44.77	10.42	....	....	....
*Provincial licensed company; official figures.							
TOTAL RECIPROCALS	630,613	168,180	30.45	98.67	36.95	....	....
TOTAL NON-BOARD COS.	12,859,573	5,135,017	41.38	44.69	47.36	*69.10	*60.40
GRAND TOTAL FIRE COS.	43,193,359	16,454,113	37.73	41.67	48.41	*61.50	*57.90

*Exclusive of Ontario cash mutuals in 1931 and 1932.

Steam Boiler

(Dominion Licensed Companies)

	Net prems. written $	Net losses incurred $	Ratio %
Boiler Inspection	241,501	8,563	3.55
British Canadian	15	....	....
Dom. of Can. Gen.	—29	....	....
Employers' Liab.	41,881	1,246	2.98
Fidelity & Cas.	461	....	....
Gen'l Acc. of Can.	56,475	8,237	14.52
Globe Indemnity	10,867	262	2.41
Guardian of Can.	4,473	1,152	25.75
Hartford	2,731	....	....
Liverpool & London & Globe	1,423	30	2.11
London Guar. & A.	261	....	....
Maryland Casualty	10,200	397	3.89
Ocean Acc. & Guar.	44,019	517	1.17
Royal Insurance	9,893	221	2.23
Travelers Indem.	50,093	10,181	20.32
Western	44	....	....
Totals for 1935	474,587	30,806	6.49
Totals for 1934	19,485	12,553	64.42

Machinery

	Net prems. written $	Net losses incurred $	Ratio %
Boiler Inspection	74,098	14.84	20.04
Dom. of C. Gen.	....	....	....
Gen'l Acc. of Can.	53,489	15,079	28.19
Maryland Casualty	1,786	4,640	259.80
Ocean Accident	9,461	2,648	27.99
Travelers Indem.	3,548	752	21.20
Hart. Steam Boiler	1,061	....	....
Totals for 1935	143,443	37,965	26.47
Totals for 1934	195,525	40,066	20.49

Credit

	Net prems. written $	Net losses incurred $	Ratio %
Am. Credit Indem.	169,828	48,147	28.35
National Surety	....	—1,048	....
Totals for 1935	169,828	47,099	27.73
Totals for 1934	148,961	25,201	16.92

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GENERAL Accident FIRE and Life Assurance Corporation, Limited of Perth, Scotland

THE GENERAL ACCIDENT Assurance Company of Canada

THE SCOTTISH CANADIAN Assurance Corporation

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Automobile Underwriters' Experience in 1935

Car Insurers' Ranking Reveals Major Changes

Shaw & Begg Group Still Leads But Provident Drops Back — 1935 Is Unfavorable Year

Average experience for automobile insurers as a whole was still more unfavorable last year. A greater number of claims—some contend a greater number of fraudulent claims—resulted in increased losses. Volume of business written was very slightly higher. Consequently loss ratios were generally higher. Most were well above the 50 per cent mark. The average loss ratio for federally licensed companies was 54.03 for the year, as against 51.49 in 1934. Individual ratios ranged from almost 100 to less than 30.

Once again the Shaw and Begg management group reports the highest total of automobile premiums written in Canada. At $819,080, business written by this group of companies exceeds that of the second ranking group by more than $140,000.

Following the leading group, several major changes are to be noted. Most important is that the Provident group, with the second largest volume of business in 1934 and in first place in 1933, is no longer up with the large volume insurers. A large portion of the business handled by this group has been reinsured.

Canadian General Second

In second place is now the Canadian General group. Others to improve their position include the General Exchange, an individual company which advanced from seventh on the list to third, and the Fonciere Transport which shot up from 24th place to ninth during the year.

Non-board companies are prominent among the larger automobile insurers, although no attempt has been made in the survey of 1935 operations to segregate board and non-board underwriters. For a part of the year some companies were writing board business in the West and non-board in the East, which makes proper classification difficult.

Fifth Annual Survey

As this is the fifth annual survey made by The Financial Post, a picture of five year experience may be obtained from the accompanying columns. It will be noted that loss ratios are calculated on the basis of losses incurred to net premiums written. Prior to 1934, earned premiums were utilized, but the figures supplied by the Dominion department of insurance now show only the "written" business, so that the calculations have had to be made on a different basis. In order to give comparable figures, the ratios for the three years prior to 1934 have been converted to a "premium written" basis.

Comparative figures for the first 25 companies, ranked in order of net premiums written, are as follows:

Ranking of 25 Leading Automobile Underwriters in Canada, 1935

Group:	Net Premiums written 1935 $	Loss Ratio† 1935 %	Loss Ratio† 1934 %
Shaw & Begg	819,080	58.41	58.30
Can. General	678,363	57.29	54.63
*General Exchange	573,446	49.63	37.11
*Pilot	549,331	60.10	47.77
Br. Amer.-West.	512,867	51.28	53.65
Gen. Accident	438,369	66.29	45.30
Employers Liab.	413,033	52.54	78.39
Dom. of Canada	397,372	47.91	47.75
*Fonciere Transport	395,010	54.66	39.14
Phoenix of London	375,730	45.86	42.39
Willis Faber	342,000	51.76	59.63
Liverpool & L. & G.	319,245	54.01	52.89
Norwich Union	293,913	55.60	44.97
London & Lanc.	271,291	59.74	38.09
Royal	271,275	52.86	39.69
*Glens Falls	266,204	41.54	34.39
Canadian Fire	260,340	45.21	43.50
Wawanesa	257,270	47.61	43.46
Travelers	247,483	38.71	57.23
Commercial Union	244,742	96.59	38.32
Lumbermens	242,745	35.52	57.19
Gen. of America	231,338	50.00	58.20
*Union of Paris	227,866	65.30	57.80
*Ocean Accident	223,502	40.55	44.59
London Assurance	222,111	67.80	59.00

*Individual company.
†Ratio of losses incurred to premiums written.

Automobile Insurance Experience, 1935, Analyzed by Groups and Individual Companies

(Official Federal and Ontario Government Figures—Ranked in Order of Net Premiums Written)

	Net prems. written 1935 $	Net losses incurred 1935 $	Ratio of losses incurred to premiums written 1935 %	1934 %	1933 %	1932 %	1931 %
(1) Shaw & Begg Group:							
American Auto. Fire	122,987	40,177	32.67	31.8	24.6	31.4	43.5
American Auto. Ins.	415,907	302,817	72.81	65.6	46.7	60.7	66.5
Consolidated	144,197	78,343	54.33	65.6	56.1	57.6	46.7
New Jersey	......	......	....	115.3	35.8	62.8	72.1
Wellington Fire‡	135,989	56,915	41.80	74.6	49.6	24.0	14.4
Total	819,080	478,252	58.41	61.5	*48.7	*51.9	*55.4
‡Provincial licensed company; official figures. *Including Stuyvesant (now Pearl Underwriters) and Lloyd's prior to 1934.							
(2) Canadian General Group:							
Canadian General	380,857	233,407	61.35	57.4	52.2	51.1	57.6
Toronto General‡	297,406	154,905	52.11	61.3	41.9	36.8	45.4
Total	678,363	388,609	57.29	59.2	47.6	44.1	51.8
‡Provincial licensed company; official figures.							
(3) British America-Western Group:							
British America	139,779	71,193	50.93	45.5	41.4	49.1	45.9
British Canadian Ins.	31,981	16,833	52.63	56.8	35.2	46.0	50.4
British Empire	60,958	31,590	51.82	51.1	39.5	45.9	48.4
Imperial Guar & Acc.	48,265	25,295	52.41	48.9	39.6	44.2	54.5
Western Assur.	231,884	118,103	50.93	44.7	39.3	44.5	46.5
Total	512,867	263,014	51.28	53.6	39.6	46.0	47.8
(4) General Accident Group:							
General Acc. of Can.	360,955	249,882	69.23	45.7	32.4	35.5	55.2
General Acc., Fire & Life	77,414	40,716	52.60	42.6	28.0	34.2	60.0
Total	438,369	290,598	66.29	45.3	31.8	35.3	55.9
(5) Employers' Liability Group:							
Employers' Liability	393,056	197,026	50.13	71.4	45.4	50.3	57.0
Merchant's Marine	19,977	19,988	100.06	16.6	31.0	49.3	87.7
Total	413,033	217,014	52.54	69.4	45.0	50.3	47.5
(6) Dominion of Canada Group:							
Casualty Co. of Canada	69,822	31,111	44.56	44.8	47.0	59.0	57.6
D. of C. General	327,550	159,276	48.63	48.0	40.5	45.0	39.8
Total	397,372	190,387	47.91	47.7	41.6	47.4	42.9
(7) Phoenix of London Group:							
London Guar. & A.	163,511	87,916	53.77	49.8	50.2	42.3	65.0
Phoenix Assurance	171,451	68,774	40.11	33.9	53.3	67.5	63.4
Union Mar. & General	40,768	15,637	38.36	42.6	38.7	44.0	40.2
Total	375,730	172,327	45.86	42.4	50.1	53.1	60.6
(8) Willis-Faber Group:							
Cornhill	99,147	47,560	47.97	67.2	40.8	50.1	47.0
Provincial Insur.	140,032	69,267	49.47	59.3	35.3	36.0	48.8
British Oak	102,827	60,182	58.53	51.3	41.4	35.0	22.3
Total	342,006	177,009	51.76	59.6	37.4	40.7	48.3
(9) Liverpool & London & Globe Group:							
Central Ins.	none	none	....	...	...	57.6	56.8
Globe Indemnity of Canada	189,111	106,427	56.28	54.6	36.7	51.8	60.3
Liverpool & L. & Globe	109,745	55,124	50.23	50.0	38.9	34.3	49.8
Liverpool-Manitoba	20,389	10,892	53.42	51.7	43.4	32.3	43.8
Total	319,245	172,443	54.01	51.8	37.9	45.4	55.8
(10) Norwich Union Group:							
Canada Security	63,147	32,325	51.19	54.2	77.7	63.4	57.0
Norwich Union Fire	230,766	131,087	56.81	42.8	54.4	52.4	49.7
Total	293,913	163,412	55.60	44.9	59.4	54.8	51.0
(11) London & Lancashire Group:							
Hand-in-Hand‡	4,754	952	20.21	70.2	29.4	34.1	24.8
Law, Union & Rock	70,598	54,465	77.15	39.5	29.4	69.6	50.7
Lon. & Lanc. Ins.	38,458	28,373	73.78	41.1	26.7	99.1	68.1
London & Lanc. G. & A.	149,908	77,640	51.79	34.2	43.6	42.8	51.8
Merchants' Fire Ins.‡	7,573	632	8.30	60.4	87.3	53.3	33.3
Total	271,291	162,062	59.74	38.1	38.8	55.8	52.7
‡Provincial licensed company; official figures.							
(12) Royal Group:							
Queen Insurance	19,523	7,286	37.32	34.3	35.7	28.6	55.8
Royal Insurance	235,546	130,050	55.21	50.7	23.6	64.7	60.5
Newark Fire	16,206	6,068	37.44	33.8	37.2	19.6	26.2
Total	271,275	143,404	52.86	36.7	25.4	58.7	58.2
(13) Canadian Fire Group:							
Canadian Fire	114,912	39,908	34.73	32.2	30.2	41.5	47.4
Canadian Indemnity	145,428	77,787	53.49	52.4	36.5	60.3	53.0
Total	260,340	117,695	45.21	43.5	33.5	51.1	50.3
(14) Wawanesa Mutual Group:							
Wawanesa	220,395	107,252	48.66	43.5	42.1	59.8	41.7
Wapiti	36,875	15,230	41.30	...	...	...	...
Total	257,270	122,482	47.61	43.5	42.1	59.8	41.7
(15) Travelers' Group:							
Travelers Fire	34,064	9,465	27.79	24.5	16.2	36.5	47.5
Travelers Indemnity	213,419	86,337	40.45	62.8	44.3	40.2	72.3
Total	247,483	95,802	38.71	57.2	40.0	39.5	68.6
(16) Commercial Union Group:							
Brit. General Ins.	24,522	10,834	44.18	19.3	54.1	37.7	32.7
Canada Acc. & Fire	101,496	56,633	55.80	45.4	32.5	52.8	62.5
Commer. Union Assur.	51,841	46,619	89.93	44.4	32.8	55.5	53.6
Palatine Insurance	29,995	13,270	44.24	27.4	38.5	55.3	51.7
Union Assurance	36,888	19,051	51.65	31.8	16.9	57.0	58.0
Total	244,742	236,407	96.59	38.3	33.3	53.4	57.3
(17) Lumbermen's Group:							
Lumbermen's Mutual Cas.	202,666	76,293	37.64	66.2	51.2	33.6	37.6
Central Manufac. Mutual	40,079	7,515	18.75	16.0	15.2	19.5	17.7
Total	242,745	83,808	35.52	57.2	45.7	31.5	34.8
(18) General of America Group:							
First National of Amer.	......	......	....	...	...	...	...
Gen. Cas. of America	160,386	92,546	57.70	73.0	36.5	79.9	51.4
Gen. Ins. of America	70,952	23,108	32.57	30.8	35.0	38.5	47.3
Total	231,338	115,654	50.00	58.2	36.0	68.9	48.0
(19) London Assurance Group:							
British Law	21,203	10,292	48.54	43.8	46.2	67.2	84.4
Guildhall Insurance	178,023	131,058	73.62	59.2	44.0	47.4	51.1
London Assurance	22,885	9,248	40.41	52.8	33.5	43.6	46.2
Total	222,111	150,598	67.80	47.9	43.0	48.2	53.5
(20) Century Group:							
Anglo-Scottish Ins.	63,367	44,240	69.82	52.8	35.9	58.9	55.1
Century Insurance	64,001	42,240	66.00	46.5	40.8	63.3	58.1
Pacific Coast Fire	62,734	42,240	67.33	53.3	36.3	39.8	32.6
Southern Insurance	21,122	14,080	66.66	52.8	36.0	40.9	29.0
Total	211,224	142,800	67.60	52.9	37.5	50.5	52.8
(21) Royal Exchange Group:							
Car & General	30,669	10,002	32.61	30.5	17.7	55.0	54.9
Motor Union	40,056	19,367	48.35	50.4	34.8	47.9	51.2
Royal Exchange	81,856	43,551	53.20	48.2	38.3	74.0	71.7
United British	53,020	41,314	77.92	44.0	36.1	49.8	47.1
Total	205,601	114,234	55.56	45.2	34.1	61.7	60.1
(22) North British Group:							
North British	95,309	45,676	47.92	25.8	47.6	50.1	68.3
Occidental Fire	25,070	8,046	32.09	31.3	36.7	33.8	72.5
Railway Passengers	67,001	22,116	33.01	26.1	42.7	51.2	72.1
Total	187,380	75,838	40.47	26.9	43.7	47.0	70.0
(23) Provident Group:							
British Colonial	—45,028	4,029	....	80.5	59.0	45.3	62.4
Provident‡	283,163	225,800	79.70	70.1	51.3	60.5	53.5
Trans Canada	—53,656	—10,406	....	88.2	54.5	75.5	70.9
Total	184,479	219,423	....	75.5	54.5	62.3	63.1
‡Provincial licensed company: official figures.							
(24) Union of Canton Group:							
British Traders	52,960	24,692	46.62	45.8	37.3	52.0	52.3
China Fire	138	10	7.25	60.7	10.3	19.5	62.8
Union of Canton	125,121	73,420	58.68	41.2	26.6	46.4	60.5
Beaver Fire	999	327	32.73	23.0	14.0	90.9	100.6
Total	179,198	98,449	54.94	42.5	29.3	47.8	57.9
(25) Hartford Group:							
Hartford Acc. & Ind.	99,320	54,111	54.48	62.8	49.0	54.2	48.0
Hartford Fire	16,456	4,606	27.99	26.5	29.4	51.7	31.6
London-Canada Ins.	55,340	30,739	55.55	48.0	55.5	42.4	52.2
Total	171,116	89,456	52.28	54.7	48.4	50.7	46.7
(26) Northern Group:							
London & Scottish Assce.	11,356	1,273	11.21	31.3	...	74.9	34.9
Northern Assurance	100,975	37,758	37.39	50.4	51.9	45.3	56.5
Scottish Metropolitan	30,153	10,977	36.40	73.1	32.9	64.5	47.0
World Marine & General	24,053	12,251	50.93	56.0	33.4	47.8	34.8
Total	166,537	62,259	45.54	54.1	41.7	51.5	50.2
(27) Massie & Renwick Group:							
Dominion Fire	30,387	8,133	26.76	31.9	28.2	35.5	59.0
Metropolitan Cas.	118,765	93,314	78.57	71.4	35.7	47.4	56.2
Nat'l. Ben Franklin	4,446	2,487	55.94	93.5	21.3	72.3	53.9
Northwestern National	9,403	3,700	39.35	36.3	16.3	17.7	44.1
Total	163,001	107,634	66.03	61.4	32.4	43.2	55.8
(28) St. Paul Group:							
Mercury Insurance	3,205	881	27.49	12.3	63.4	44.8	45.7
St. Paul Fire & Marine	117,752	52,834	44.87	44.0	52.5	44.0	56.4
St. Paul Mercury	23,701	12,007	50.66	148.8	35.6	161.1	87.8
Total	144,658	65,722	45.43	55.0	50.9	54.6	59.2
(29) Alliance Group:							
Alliance Assurance	134,834	82,222	60.98	68.6	47.9	38.9	73.6
Westminster Fire	......	......	....	...	...	...	...
Total	134,834	82,222	60.98	68.6	...	...	...
(30) U. S. Fidelity Group:							
Fidelity of Canada	65,189	38,616	59.24	59.8	37.7	67.9	83.6
U. S. Fidelity & Guar.	75,995	34,166	44.96	70.4	40.7	89.7	92.2
Total	131,184	72,782	55.48	66.2	39.5	80.6	88.9
(31) Yorkshire Group:							
London & Prov.	21,974	6,305	28.69	48.1	39.3	48.7	27.1
Yorkshire Ins.	85,317	39,207	45.95	33.1	53.7	43.4	51.8
Total	107,291	45,512	42.42	35.3	52.0	44.0	49.1
(32) Sun Group:							
Imperial Insurance	16,939	10,117	59.73	36.9	32.2	57.1	39.1
London County	14,994	8,905	59.39	26.2	...	...	...
Patriotic	5,811	411	7.07	20.2	...	...	...
Sun Insurance	62,428	28,456	45.58	47.9	42.1	40.6	51.1
Total	100,172	47,889	47.81	41.8	38.8	46.4	46.7
(33) Home Group:							
Franklin Fire	......	......	....	...	...	...	...
Home Indemnity	......	—480	....	...	99.3	80.0	37.5
Home Insurance	93,761	47,987	50.67	39.8	...	...	...
Homestead	......	......	....	...	...	...	...
National Liberty	......	......	....	...	...	...	...
Total	93,761	47,507	50.67	39.8	...	...	...
(34) Canadian Surety Group:							
Camden Fire	5,792	4,129	71.29	55.4	10.4	27.0	118.0
Canadian Surety	85,928	43,020	50.07	44.3	38.2	48.5	46.7
New York Casualty	......	......	....	...	...	...	...
Total	91,720	47,149	51.40	45.0	36.0	47.2	51.0
(35) Northwestern Mutual Group:							
Northwestern Mutual	55,970	13,573	24.25	25.9	23.4	33.1	32.4
Northwest. Casualty	32,752	18,225	55.65	84.3	39.6	73.7	73.9
Total	88,722	31,798	35.84	46.1	...	...	...
(36) Great American Group:							
American Alliance	2,708	1,425	52.62	48.7	33.4	38.5	71.8
County Fire of Phila.	487	269	55.24	48.5	33.3	38.5	68.8
Great American Ind.	40,454	32,902	81.33	29.1	4.8	116.9	2.5
Great American Ins.	21,148	11,779	55.70	48.7	33.4	38.5	69.9
Total	64,797	46,375	71.57	36.5	15.6	84.2	33.2
(37) North American Group:							
Alliance Ins.	8,793	5,506	62.62	44.3	25.1	44.4	62.2
Indemnity Insur.	40,931	46,885	114.55	91.6	111.9	85.8	48.2
Insurance Co. of N. A.	11,718	3,271	27.91	26.8	21.1	42.3	52.5
Total	61,442	55,662	90.59	71.4	78.4	69.6	51.9
(38) Pearl Group:							
Pearl Assurance	56,089	21,483	38.30	55.1	40.7	56.1	...
Pearl Underwriters	......	......	....	...	...	...	...
Eureka-Security Fire & Marine	......	......	....	...	...	...	...
Total	56,089	21,483	38.30	55.1	...	...	...
(39) Chubb & Son Group:							
Marine	4,525	1,474	32.57	24.0	...	...	...
Federal Ins.	32,033	20,038	62.55	34.4	35.7	40.9	44.8
U. S. Guarantee	13,971	1,704	12.20	55.0	23.9	61.3	...
Total	50,529	23,216	45.94	39.6	28.0	44.2	49.9
(40) Boston Group:							
Agricultural	6,215	1,744	28.06	25.5	25.6	2.7	...
Boston	3,531	1,780	50.41	15.4	...	...	...
Total	9,746	3,524	36.16	22.8	...	...	...
(41) Hardware Mutual Group:							
Hard. Dealers' Mutual	2,921	873	29.89	5.0	13.2	15.3	30.9
Minn. Implement Mutual	2,921	873	29.89	5.0	13.2	15.3	30.9
Hardware Mutual	2,921	873	29.89	5.0	13.2	15.3	30.9
Total	8,763	2,619	29.89	5.0	...	...	...
(42) William Thompson Group:							
Security Ins.	1,971	1,096	55.61	10.8	5.5	49.2	96.2
American Ins.	1,424	160	11.24	13.7	6.8	...	...
Fire Assoc. of Phil.	247	—185	....	...	46.1	...	...
Total	3,642	1,071	39.57	11.6	...	...	...
(43) Springfield Group:							
Sentinel Fire	4	......	....	5.9	...	20.4	...
Springfield Fire & Marine	145	......	....	.7	...	32.3	37.0
Michigan Fire	17	....	....	...	...	...	...
Total	166	....	....	...	...	...	...
Individual Companies							
Pilot‡	549,331	346,564	63.10	47.8	49.0	46.1	53.0
General Exchange	573,446	284,587	49.63	37.1	35.7	43.7	58.0
Ocean Accident	223,502	90,641	40.55	44.6	57.4	45.4	65.1
Portage La Prairie	—370	74,577	....	64.3	63.0	42.0	21.8
Foncier Transport and Accident	395,010	215,931	54.66	39.1	...	...	...
Halifax	181,366	87,313	48.15	79.2	58.7	33.7	68.8
Zurich	160,706	100,437	62.50	64.2	62.9	48.4	49.0
Glens Falls	266,204	110,573	41.54	34.4	38.2	41.9	28.5
Guardian Ins. Co.	178,263	98,526	55.27	52.7	50.6	54.4	52.4
L'Union Fire of Paris	227,886	148,801	65.30	57.8	45.2	41.4	15.7
Legal & General	49,833	40,406	81.08	64.4	49.7	33.5	38.7
Employers' Reinsurance	147,075	59,869	40.71	35.0	28.9	25.0	58.1
Merchants' Casualty	138,861	59,133	42.58	44.6	48.3	36.5	29.5
Prudential Assurance	119,086	76,832	64.52	66.4	35.2	45.1	89.8
Gen. Casualty of Paris	111,331	60,077	53.96	38.9	38.6	39.1	71.3
Continental Casualty	40,839	35,896	87.90	58.2	51.6	60.0	46.6
Scottish Union	60,274	23,618	39.18	51.5	33.8	63.2	56.7
Maryland Casualty	36,136	18,504	51.21	38.3	129.4	49.3	63.5
Atlas	51,707	24,138	46.68	46.6	16.3	...	...
American Home Fire	157,130	57,753	36.75	49.5	39.4	55.9	46.2
Caledonian	12,322	22,888	185.75	23.4	45.9	20.9	...
Bankers & Traders	44,513	40,624	91.26	123.3	2.2	...	...
New Hampshire	10,165	5,689	55.97	37.7	18.9	21.0	...
Providence Washington	7,690	2,286	29.73	38.2	104.9	45.3	28.4
Commerce Mutual	10,881	2,213	20.34	32.3	19.0	30.7	...
Ohio Farmers	6,009	2,973	49.48	50.9	55.7	13.3	...
National Union Fire	1,708	270	15.81	18.5	229.2	300.5	99.9
Rhode Island	1,225	708	57.79	30.6	...	...	...
United Pacific Casualty	14,822	2,936	19.81	142.9	...	...	...
N. Y. Undr.	502	129	25.70	.2	4.3	22.7	29.7
Lumbermen's Mut. of Mansfield	80	......	....	21.7	3.4	2.3	3.6
British Crown	......	—103	....	...	...	...	...
Insurance Co. of Penn.	......	......	....	...	132.6	60.2	10.9
Michigan Fire & Marine	17	......	....	...	...	...	...

‡Provincial licensed company; official figures.

Hail

Marked Improvement in Losses Against Sharply Higher Premiums

(Dominion Licensed Companies)

(A)—Group Experience:

	Net prem. written $	Net losses incurred $	Ratio %
Aetna Alliance Ins.			
Aetna	25,297	7,250	28.66
Ins. of N. A.	33,932	18,241	53.76
Spring. F. & Mar.	26,691	15,960	53.75
Sentinel	848	456	53.77
World F. & Mar.	8,636	10,990	127.26
Mich. Fire & M.	3,393	1,824	53.76
	96,797	54,721	55.44
Continental			
Continental Ins.	48,085	37,681	78.36
Fidelity Phoenix	25,449	15,089	59.29
First American	23,056	8,305	36.02
Maryland	11,103	7,144	64.34
Niagara	24,612	8,550	34.74
	132,305	76,769	58.00
Hartford			
Hartford Fire	88,575	42,570	48.06
Citizens of N.J.	21,627	17,119	79.16
London-Canada	......	......	....
N. Y. Underwrit.	10,160	3,022	29.74
	120,362	62,711	52.12
Phoenix of Hartford			
Phoenix Ins.	56,200	30,665	54.56
Connecticut	33,914	18,505	54.56
Equitable Fire	6,783	3,701	54.56
Prov. Washington	48,448	26,435	54.56
Westchester	48,448	26,435	54.56
	145,345	105,741	72.77
Royal Exchange			
Car & General	6,423	5,310	82.67
Royal Exchange	10,213	2,705	26.49
State	11,684	7,319	62.64
	38,320	15,334	11.49
(B)—Individual Companies:			
Alliance Assur.	20,321	6,045	29.75
Amer. Alliance	7,261	6,522	89.82
Bee Hail	6,792	6,336	93.29
Canada Security	18,858	10,101	53.56
Canadian Indem.	24	......	....
County Fire	1,452	1,303	89.74
Gen. Cas. of Paris	157,081	158,974	101.21
Great American	63,894	57,304	89.69
Home Ins.	158,289	56,897	35.95
London & Scottish	11,476	6,714	58.50
Grand total, 1935.	1,068,670	636,922	59.60
1934.	494,216	473,346	95.78

Explosion

(Dominion Licensed Companies)

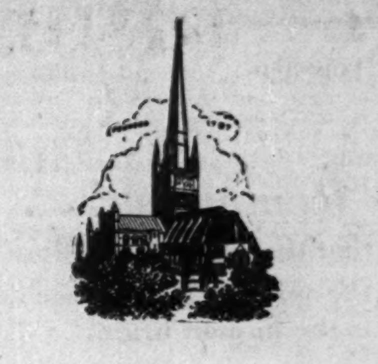
	Net prems. written $	Net losses incurred $	Loss Ratio %
Acadia Fire	153	....	....
Aetna Ins.	6,785	126	1.86
Alliance Insurance of Philadelphia.	503	....	....
British America	217	35	16.13
British Canadian.	85	18	21.18
British Empire	269	39	14.50
British Traders	409	40	9.78
Canadian Fire	280	......	....
Connecticut	1,367	1	0.07
Continental Insur.	2,668	450	16.87
Equit. Fire & M.	273	1	0.37
Fidelity-Phenix	1,319	24	1.82
Hartford Fire	1,453	60	4.13
Insurance Co. of North America.	1,493	......	....
Imp. Guarantee	408	78	19.12
Liverpool & London and Globe	1,242	85	6.84
London and Lancashire Insurance.	2,964	453	15.28
N. Y. Under.	873	60	6.87
Niagara	919	....	....
North River	689	221	32.08
Phoenix Ins.	2,266	1	0.04
Prov. Washington.	743	1	0.13
Royal Insurance	1,496	....	....
Springfield	2,862	....	....
Sun Insurance	2,534	232	9.16
Underwriters Exc.	...	....	....
Western Assurance	1,276	273	21.39
Westchester	638	1	0.16
Royal Exchange	542	7	1.29
Union of Canton.	701	68	9.70
Totals for 1935	34,481	2,274	6.59
1934	34,547	161	0.47

Fraud

	Net prems. written $	Net losses incurred $	Ratio %
Nat'l Surety, 1935	13,612	3,739	27.47
Do., 1934	14,902	3,783	25.39

Aviation

	Net prems. written $	Net losses incurred $	Ratio %
Continental	976	1,594	106.32
Fidelity & Cas'lty	7,308	—2,174	....
Great Amer. Ind.	1,317	....	....
Gt. Amer. Insur.	4,571	—131	....
Lon. Guarantee	420	....	....
Marine	7,259	—1,141	....
Totals for 1935	21,851	—2,252	....
Totals for 1934	19,485	12,553	64.42



The larger the risk, the more important to have it covered by an Insurance Company having ample financial reserves and a reputation for fair and prompt settlements.

NORWICH UNION FIRE INSURANCE SOCIETY LTD.
Founded 1797

FIRE - AUTOMOBILE - CASUALTY
LIABILITY - FIDELITY BONDS
SICKNESS

Founded in England, 1797 Established in Canada, 1880

Head Office for Canada: TORONTO

E. M. WHITLEY, General Manager for Canada
F. W. LAMONT and C. C. PAULL, Assistant Managers

A NATION-WIDE ORGANIZATION
Writing
FIRE and CASUALTY INSURANCE
THE CANADIAN INDEMNITY CO.
Montreal Toronto WINNIPEG Calgary Vancouver

Absolute Protection . . .
Dependable Service . . .
Satisfactory Adjustments . . .
A Strong, Progressive Company
THE CANADIAN FIRE INSURANCE COMPANY
WINNIPEG TORONTO CALGARY VANCOUVER

A BIRTHDAY MESSAGE from American Auto

THIS is the Silver Anniversary Year of the American Automobile Insurance Company, oldest, largest, and strongest of stock companies writing automobile insurance exclusively.

Upon this occasion we acknowledge gratefully the confidence and trust reposed in us during these years by more than two million policyholders. To our agents and brokers we express appreciation of the goodwill that distinguishes our relationship with the insurance fraternity.

When we made public our first statement on December 31, 1911, our assets totaled Two Hundred Fifty Thousand Dollars. Today, as we enter our twenty-fifth year, our assets exceed Fourteen Million Dollars; our surplus to policyholders exceeds Five Million Dollars. During the quarter century we have paid more than Fifty Million Dollars in settlement of claims.

Our company writes only automobile insurance. We provide sound protection at reasonable rates. We maintain for the convenience of our assureds a comprehensive and country-wide claims service. For their further protection we conduct our business only through agents and brokers of integrity and experience.

As we approach our twenty-fifth anniversary we pledge the maintenance and improvement of those standards which have brought to us, through the intelligent efforts of agents and brokers, the substantial patronage of conservative motorists.

AMERICAN AUTOMOBILE INSURANCE COMPANY
Annual Statement, December 31, 1935

ASSETS

U. S. Government Bonds and Notes		$ 1,505,928.44
Corporation Bonds		1,859,358.02
Total Bonds*		$ 3,365,286.46
Corporation Stocks		7,305,750.00
Stock of Subsidiary Fire Insurance Company		1,040,614.65
Total Investment		$11,711,651.11
Premiums in Course of Collection (Less than 90 Days)		1,316,477.93
Cash in Banks and Offices		1,151,086.40
Accrued Interest		35,370.09
Total Admitted Assets		$14,214,585.53

*Securities carried at $811,732.23 in the above statement are deposited for purposes required by law.

LIABILITIES

Reserve for Unearned Premiums		$ 4,360,498.76
Reserve for Liability Claims and Claims Expense (N.Y. Law)		3,321,847.38
Reserve for Other Claims and Claims Expense		289,437.35
Reserve for Commissions (not due)		287,819.24
Reserve for Taxes		249,299.07
Reserve for Other Liabilities		23,710.03
Capital Stock	$1,000,000.00	
Surplus	4,681,973.70	
Surplus as Regards Policyholders		5,681,973.70
Total Liabilities		$14,214,585.53

On Deposit with the Dominion Government for Protection of Canadian Policyholders, $530,000.00.

SHAW & BEGG LTD., Canadian Managers, TORONTO.

"OLDEST AND LARGEST INSURERS OF AUTOMOBILES EXCLUSIVELY"
AMERICAN AUTOMOBILE INSURANCE COMPANIES
ST. LOUIS, MO.

CONSERVATIVE - CONSTRUCTIVE CONSIDERATE
Dependable through Generations
ALLIANCE Assurance Company Limited of London, England
Established 1824
The WESTMINSTER Fire Office OF LONDON, ENGLAND
Established 1717
Guaranteed by Alliance Assurance Company, Limited
Head Office for Canada BARCLAYS BANK BUILDING, MONTREAL
E. E. KENYON, Manager
Assets exceed $150,000,000
FIRE - AUTOMOBILE - CASUALTY

The Waterloo Mutual Fire Insurance Company
Established 1863
Assets over $1,700,000.00
W. G. WEICHEL, President F. H. MOSER, Managing Director
J. A. FISCHER, Ass't Secretary
Head Office - Waterloo, Ontario

FOUNDED 1880

"Remember" . . .
that the greatest medium for the prevention of accidents is the human brain.
"Use it."

THE EMPLOYERS'
Liability Assurance Corporation Limited of London, England

MONTREAL TORONTO
WINNIPEG CALGARY VANCOUVER

FIRE · AUTOMOBILE · CASUALTY

The OCEAN
ACCIDENT AND GUARANTEE CORPORATION, LIMITED

Liability Automobile Plate Glass Burglary
Guarantee Accident & Sickness
Fire Boiler Engine Flywheel Turbine
Electrical Machinery

Canadian Head Office - - - TORONTO
Branches
Vancouver - Winnipeg - Montreal - St. John

OVER $1,000,000 DIVIDENDS PAID TO POLICYHOLDERS IN 1935

Fire Insurance that Pays Dividends

BRANCHES: Toronto, Hamilton, Ottawa, Vancouver, Kelowna, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax

Save up to 30 per cent. on your Fire Insurance by participating in these annual dividends. Full information will be gladly supplied by our nearest branch office.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.

FIRE AUTOMOBILE RIOT EXPLOSION TORNADO
INLAND TRANSPORTATION

Agents Everywhere

THE LONDON & LANCASHIRE INSURANCE CO. LTD.

W. R. HOUGHTON, Manager — P. L. WAYLETT, Asst. Mgr.

HEAD OFFICE FOR CANADA
4 Richmond Street East, Toronto

LAW UNION & ROCK
INSURANCE COMPANY LIMITED OF LONDON, ENGLAND
CANADIAN HEAD OFFICE, TORONTO

MERCANTILE FIRE
INSURANCE COMPANY
HEAD OFFICE, TORONTO

THE QUEBEC FIRE
ASSURANCE COMPANY
HEAD OFFICE, QUEBEC, P.Q.
G. H. HENDERSON, Chief Agent and Secretary

BRANCH OFFICES
Montreal, Saint John, Quebec, Winnipeg, Vancouver

Organized 1896—Our 40th Anniversary

3rd IN ALL CANADA
2nd IN ONTARIO
on Net Fire Premiums in 1935 is the ranking of
"CANADA'S LARGEST FIRE MUTUAL"

1935 Assets' Increase.......$261,357.60
1935 Net Premiums Increase.......$222,432.84

Total Assets Over a Million and a Half

No Assessment Liability Beyond the Premium
—$1,000 Reward for Anyone Proving Otherwise

Operates under Dominion Charter From Atlantic to Pacific

Over 120,000 Satisfied Policyholders in Canada
—Reliable Agents Wanted in New Territory—

THE Wawanesa Mutual Insurance Co.
Head Office: Wawanesa, Man.
Eastern Office: 341 Church St., Toronto

Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q.; and Saint John, N.B.

With which is Affiliated

The Wapiti Insurance Co.
A Non-tariff Stock Company Organized in 1928
Head Office and Branches same as for Wawanesa Mutual

Casualty Lines Improve in 1935

Improved Loss Ratio For Casualty Business

Reflecting chiefly greater business volume in hail, inland transportation and accident insurance, the amount of casualty insurance written in Canada during 1935 increased by almost $1.3 millions over the previous year's total. The 1935 figures are preliminary official figures released by G. D. Finlayson, federal superintendent of insurance.

Loss experience last year was also more favorable, the ratio of net losses to premiums written being 44.2. In 1934, this ratio was 45.1.

The following table gives a comparative summary of the various lines of insurance classified under the head "casualty":

CASUALTY INSURANCE IN CANADA, 1935

	Net Premiums Written 1935 $	Net Premiums Written 1934 $	Net Losses Incurred 1935 $	Loss Ratio 1935 %	Loss Ratio 1934 %
Accident:					
(1) Personal	2,842,663	2,743,568	1,240,982	43.66	50.49
(2) Empl. liab. & comp.	716,611	349,213	302,903	42.30	42.72
(3) Other	1,555,834	1,575,383	653,201	42.00	38.92
Acc. & sickness combined	1,681,080	1,617,464	1,001,953	59.60	56.53
Falling aircraft	101	8,224	....	....	24.90
Automobile	11,963,932	11,925,811	6,464,622	54.03	51.49
Aviation	21,851	19,485	—2,252	....	64.42
Burglary	1,286,833	1,278,593	649,383	50.49	46.05
Credit	169,828	148,961	47,099	27.73	16.92
Earthquake	6,857	6,621	40	0.66	....
Machinery	143,443	195,525	37,965	26.47	20.49
Explosion (riot & civil comm.)	34,481	24,547	2,274	6.59	0.47
Forgery	46,471	38,794	15,654	33.49	22.57
Fraud	13,612	14,902	3,739	27.47	25.39
Guarantee:					
(1) Fidelity	1,182,244	1,177,254	339,054	28.68	25.95
(2) Surety	721,063	696,101	94,105	13.05	16.38
Hail	1,068,670	494,216	636,922	59.60	95.78
Inland transp.	1,249,842	1,101,476	453,922	36.34	33.70
Livestock	23,918	22,113	18,265	76.37	82.77
Plate glass	505,958	508,960	246,030	48.70	51.99
Sickness	1,306,852	1,240,965	830,811	63.48	56.06
Steam boiler	474,587	516,228	30,806	6.49	4.44
Title	....	......	......	....	....
Tornado	154,214	130,764	48,767	31.62	32.62
Total	27,172,745	25,845,168	12,060,748	44.2	45.1

Sickness

Loss Experience Unfavorable on Heavier Volume of Business

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British America-Western			
British America	8,291	4,725	56.99
British Canadian	2,060	1,142	55.44
British Empire	7,037	3,851	54.73
Imperial G. & A.	44,683	27,487	61.52
Western Assur.	15,314	8,436	55.09
	77,385	45,641	59.04
Commercial Union			
Canada Acc. & F.	26,482	16,499	62.30
Union Assur. Soc.	8,090	4,435	54.82
Comm. Union Ass.	4,527	3,372	74.49
	39,099	24,306	62.06
Dom. of Canada			
Casualty Co. of C.	21,800	15,651	71.79
Dom. of Can. Gen.	106,809	66,247	62.02
	128,609	81,898	63.68
General Accident			
Gen. Acc. of Can.	51,454	37,520	72.92
Gen. Acc. F. & L.	20,029	22,096	110.32
	71,483	59,616	83.49
London & Lancashire			
Law Union & Rock	3,443	2,090	60.70
Lon. & Lanc. G. & A.	17,174	6,830	39.77
	21,617	9,920	45.92
Northern			
Northern Assur.	5,920	3,364	56.82
World Marine	5,910	3,364	56.92
	11,830	6,728	57.01
North British & Mercantile:			
North Brit. & M.	21,156	16,051	75.87
Occidental Fire	2,072	1,929	93.10
Railway Pass.	21,361	13,532	63.35
	45,589	31,512	69.26
Norwich Union			
Canada Security	4,081	3,640	89.19
Norwich Union	20,371	12,637	62.03
	24,452	16,277	66.71
Phoenix of London			
London G. & Acc.	15,996	12,276	76.74
Union Marine	3,406	3,412	100.18
Phoenix Assur.	4,941	1,719	34.79
	24,343	17,407	71.93
Royal Exchange			
Car & General	2,709	3,186	117.61
Royal Exchange	6,938	5,522	79.59
	29,747	9,708	32.68
Royal Liverpool L. & G.			
Globe Indemnity	43,899	33,316	75.89
Liverp'l & L. & G.	5,059	3,877	76.64
Royal Insurance	41,611	31,522	75.75
	90,569	68,715	75.92
Sun			
Sun Insurance	7,892	4,741	60.07
Imperial Ins.	2,286	2,196	96.06
	10,178	6,937	68.68
U. S. Fidelity			
Fidel. Ins. of Can.	2,596	2,120	81.66
U. S. Fid. & Guar.	15,165	11,690	77.09
	17,761	13,810	78.02
(B)—Individual Companies:			
Aetna Life	120	170	....
Alliance Assur.	28,570	28,269	98.94
British N'west	372	211	56.72
Canadian Indem.	14,521	10,671	73.49
Continental Cas.	221,170	127,077	57.46
Employers' Liab.	89,070	65,327	73.34
Fidelity & Cas.	...	750	....
Gen. Cas. of Paris	38,345	20,560	53.62
Guard. Ins. of C.	4,210	2,096	49.79
Guildhall	1,125	1,544	137.24
Hartford Acc.	1,220	1,986	162.79
Indemnity Ins.	1,348	566	41.99
Legal & General	645	682	105.74
Maryland Cas.	8,477	2,866	33.81
Metropolitan Cas.	1,854	1,134	61.17
Metropolitan Life	33,139	12,331	37.21
N. Amer. Accid.	4,295	1,162	27.05
Ocean Acc. & G.	37,992	29,211	76.80
Occidental Life	4,467	3,590	80.37
Prudential Assur.	15,042	9,946	66.12
Royal Guardians	1,282	897	69.97
Travelers Ins.	114,735	52,844	46.06
Union of Canton	44,265	24,259	54.80
Zurich	72,024	42,527	59.05
Grand Total, 1935	1,308,852	830,811	63.48
1934	1,240,965	695,704	56.06

Comb. Accident & Sickness

Loss Ratio Rises to 59.6 Per Cent — Premiums Slightly Higher

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Dominion of Canada			
Casualty Co. of Can.	856	272	31.78
Dom. of Canada	8,173	3,662	44.81
	9,029	3,934	43.57
General Accident			
Gen. Acc. of Can.	37,709	22,442	59.51
Gen. Acc. F. & L.	5,272	2,229	42.28
	42,,981	24,671	57.50
Shaw & Begg Group			
Consol. Fire	17,065	5,995	35.13
Lloyds Casualty	....	....	....
	17,065	5,995	35.13
Yorkshire Group			
London & Prov.	3,790	4,535	119.66
Yorkshire Insur.	35,372	21,903	67.30
	39,162	26,438	67.61
(B)—Individual Companies:			
Aetna Life	43,688	26,147	59.85
Confed. Life	49,794	31,444	63.15
Empl. Reinsurance	12,145	19,660	161.88
Fidelity & Cas.	....	....	....
Gen. Cas. of Paris	14,574	9,809	67.30
Imperial Ins.	9,493	3,082	32.42
London G. & Acc.	27,100	13,120	48.41
London Life	193,076	129,428	67.03
Loyal Protective	191,389	104,025	54.35
Merchants' Cas.	162,621	96,457	59.31
Metropolitan Life	367,157	218,828	59.60
Mut. Ben. Health	40,558	8,837	21.79
North Amer. Acc.	80,344	23,777	29.59
Protective Assoc.	331,599	229,279	69.14
Prudential Assur.	32,785	17,176	52.39
Prudential Insur.	6,228	2,891	46.42
Provident*	63,396	40,718	64.22
Sun Insurance	10,292	6,955*	61.92
Grand total, 1935	1,681,080	1,001,953	59.60
1934	1,677,464	914,313	56.53

Other Accident

(Other than personal and workmen's compensation insurance).
(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British Amer.-Western			
British Amer.	9,514	3,012	31.66
British Can.	3,768	1,189	31.56
British Empire	2,247	699	31.11
Imp. Guar. & Acc.	9,735	3,837	39.41
Western Assur.	21,921	8,915	40.67
	47,185	17,652	37.47
Canadian General			
Canadian General	12	......	....
Toronto General*	2,359	1,345	58.47
	2,371	1,345	58.47
Canadian Fire			
Canadian Fire	634	......	....
Canadian Indem.	72,492	13,548	18.69
	73,126	13,548	18.53
Commercial Union			
Can. Acc. & F.	28,497	11,064	38.83
Union of London	12,350	2,325	18.83
Comm. Union	5,069	3,822	75.40
	45,916	17,211	37.49
Dom. of Canada			
Dom. of Can. Gen.	23,668	4,631	19.57
Casualty Co.	4,838	1,176	24.31
	28,506	5,807	20.38
General Accident			
Gen. Acc. of Can.	130,822	92,449	70.67
Gen. Acc., F. & L.	8,880	3,581	40.33
	139,702	96,030	68.02
London & Lancashire			
London & Lanc. G. & A.	23,258	16,217	69.73
Law, Union & Rock	4,295	765	7.81
	27,553	16,982	61.76
North British & Mercantile			
Nor. Brit. & Merc.	13,387	2,763	20.64
Occidental Fire	326	1	0.31
Rly. Passengers	4,963	642	12.94
	18,676	3,406	18.31
Northern			
Northern Assur.	19,289	13,501	69.99
Lond. & Scottish	4,627	678	14.65
Scottish Metrop.	1,111	288	25.82
World Mar. & G.	8,178	291	3.56
	33,205	14,758	44.45
Norwich Union			
Canada Security	7,236	667	9.22
Norwich Union	24,013	6,573	27.37
	31,249	7,240	23.25
Phoenix of London			
London G. & A.	23,148	5,958	25.74
Union Marine	10,010	—2,986	....
Phoenix Assur.	11,183	—742	....
	44,341	2,230	....
Royal Exchange			
Royal Exchange	34,718	17,173	49.46
Car & General	3,996	50	1.25
Motor Union	852	......	....
	39,566	17,223	....
Royal Liver. & L. & G.			
Globe Indem.	78,072	41,065	52.60
Liverp'l & L. & G.	8,663	5,519	63.71
Royal Insur.	74,750	47,019	62.90
	173,485	93,603	53.98
Sun			
Sun Insurance	5,779	424	7.34
Imperial Insur.	1,674	1,044	62.34
	7,453	1,468	19.83
U. S. Fidelity			
U. S. Fid. & Guar.	67,370	21,012	31.19
Fidel. Ins. of Can.	32,955	14,477	43.93
	100,325	35,489	35.37
Yorkshire			
Yorkshire Insur.	16,500	2,235	13.55
London & Prov.	4,521	7,017	155.21
	21,121	9,252	43.85
*Provincial licensed company.			
(B)—Individual Companies:			
Alliance Assur.	15,197	6,484	42.67
Atlas	3,527	535	15.17
Br. Northwestern	5,268	30	0.57
Can. General	73,767	18,730	25.39
Canadian Surety	17,319	7,667	44.27
Century Insce.	9,122	1,882	20.63
Consolidated	4,438	14,034	317.35
Continental Cas.	5,909	2,798	47.35
Employers' Liab.	143,300	23,438	16.36
Empl. Reinsur.	25,667	6,870	26.77
Fidelity & Cas.	708	......	....
Fonciere Transp. & Acc.	20,027	6,988	34.89
Gen. Cas. of Paris	15,324	5,777	37.70
Guard. Ins. of Can.	31,539	14,457	45.84
Guildhall	28,894	13,110	45.37
Hartford Acc.	14,519	4,484	30.88
Indemnity Insce.	9,796	—2,244	....
Legal & General	1,246	30	2.41
Lumbermen's M.C.	2,008	262	13.05
Maryland Cas.	17,090	3,399	19.89
Merchants Cas.	1,103	491	44.51
Metropolitan Cas.	6,417	1,996	31.10
Ocean A. & Guar.	25,862	9,192	35.54
Pearl	20,301	8,546	42.10
Prudential Assur.	37,312	12,620	33.82
Pilot	211	50	23.70
Travelers Indem.	12,160	4,618	37.98
Travelers Insur.	49,877	69,387	139.12
U. S. Guaranty	1,470	925	62.93
Union of Canton	79,775	42,596	53.40
Wawanesa	120	......	....
Zurich	30,315	14,340	47.30
Grand Total, 1935	1,555,834	653,201	42.00
1934	1,575,383	613,117	38.92
Personal Property			
Employ. Liab.	2,902	1,023	35.25
North British	7,703	5,337	69.24
Northern	8,286	—54	....
Railway Pass.	1,900	145	7.63
World Marine	3,780	—36	....
Grand Total, 1935	24,576	6,415	26.10
1934	None	....	....

Forgery

(Dominion Licensed Companies)
(A)—Group Experience

	Net prems. written $	Net losses incurred $	Ratio %
Royal & Liverpool & Lond. & Globe			
Globe Indemnity	—59	—439	....
Liverp'l & L. & G.	136	— 48	....
Royal Insurance	918	—367	....
	995	—854	....
U. S. Fidelity			
U. S. Fid. & Guar.	9,055	—107	....
Fidel. Ins. of Can.	870	......	....
	9,925	—107	....
(B)—Individual Companies:			
Can. General	1,392	2,389	171.62
Can. Indemnity	2,003	215	10.73
Can. Surety	3,199	939	29.35
Grain Insurance	2,519	122	4.84
Indemnity Ins.	10,127	9,477	93.58
Maryland Cas.	680	—30	....
National Surety	15,901	3,503	22.03
Grand Total, 1935	46,471	15,654	33.49
1934	38,794	8,735	22.57

Personal Accident

More Favorable Experience, With Increase in Volume

(Official Government Figures)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British Amer.-Western			
British America	20,201	9,313	46.10
British Canadian	4,769	2,236	46.93
British Empire	12,136	5,428	44.73
Imperial G. & A.	77,375	38,029	49.15
Western Assur.	30,749	14,700	47.81
	145,230	69,706	48.00
Canadian Fire			
Canadian Fire	10,801	4,425	40.97
Canadian Indem.	19,897	6,660	33.47
	30,698	11,085	36.22
Commercial Union			
Canada Acc. & F.	54,727	17,817	32.56
Union of London	15,457	5,175	33.48
Comm. Union	7,836	1,567	20.00
	78,020	24,559	31.48
Dom. of Canada			
Cas. Co. of Can.	40,181	24,212	60.26
Dom. of Can. Gen.	230,274	111,245	48.31
	270,455	135,457	50.09
General Accident			
Gen. Acc. of Can.	86,323	49,786	57.67
Gen. Acc. F. & L.	31,159	15,375	49.34
	117,482	65,161	55.50
London & Lancashire			
London & Lanc. G. & A.	41,133	30,058	73.08
Law Union & Rock	13,505	10,054	74.45
	54,638	40,112	73.41
North British			
North British	24,273	15,655	35.36
Rly. Passengers	49,504	26,819	54.18
Occidental Fire	5,224	4,363	83.52
	79,001	46,837	58.00
Northern			
Lond. & Scottish	901	1,228	136.29
Northern Assur.	14,624	8,244	56.37
Scottish Metrop.	5,212	4,787	91.85
World Marine	4,616	4,335	93.91
	25,353	18,594	73.49
Norwich Union			
Canada Security	7,925	4,336	54.71
Norwich Union	48,117	23,761	49.38
	56,042	28,197	50.35
Phoenix of London			
London G. & A.	49,721	24,626	49.53
Union Marine	7,624	1,930	25.31
Phoenix Assur.	11,505	2,839	24.68
	68,850	29,495	42.87
Royal Exchange			
Royal Exchange	18,925	16,450	86.92
Car & Gen. Insur.	7,537	10,087	133.83
Motor Union Ins.	3,350	884	26.39
	29,812	27,011	90.64
Royal Liverp'l. & L. & G.			
Globe Indem.	82,517	20,077	24.33
Liverp'l. & L. & G.	10,273	2,230	21.71
Royal Insur.	76,747	18,951	23.79
	169,537	41,258	24.34
Sun			
Sun Insurance	31,686	10,120	31.94
Imperial Ins.	5,135	4,455	86.76
	36,821	14,575	39.60
U. S. Fidelity			
Fidel. Ins. of Can.	7,041	1,273	18.08
U. S. Fid. & Guar.	35,067	29,788	84.95
	42,108	31,061	73.77
Yorkshire			
London & Prov.	5,433	3,704	68.18
Yorkshire	56,006	39,914	71.27
	61,439	43,618	71.04
(B)—Individual Companies:			
Aetna Life	1,195	126	10.54
Alliance Assur.	28,070	9,839	35.05
Atlas	30	....	....
Br. Northwestern	1,708	327	19.15
Century Insce.	2,920	—1,231	....
Confed. Life	3,116	1,000	32.09
Continental Cas.	241,062	81,729	33.90
Consolidated	729	......	....
Employers' Liab.	200,135	84,310	42.13
Fidelity & Cas.	113	......	....
Gen. Cas. of Paris	55,328	11,757	21.25
Guardian Ins.	25,869	9,328	36.06
Guildhall	6,691	5,069	75.76
Hartford Acc.	8,210	2,874	35.01
Indemnity Insur.	12,928	8,598	66.51
Legal & General	2,918	2,211	75.77
Lumberman's M. C.	972	220	22.63
Maryland Cas.	25,156	19,074	75.82
Metropolitan Cas.	4,375	1,293	29.55
Metropolitan Life	197,898	90,049	45.50
North Amer. Acc.	3,799	1,353	35.61
Occidental Life	7,634	6,233	81.65
Ocean Acc. & Gr.	124,492	72,110	57.92
Pearl	788	—3,516	....
Prudential Assur.	31,358	15,894	50.69
Trans-Canada	—598	—650	....
Travelers Insur.	474,693	148,946	31.38
Union of Canton	62,619	23,749	37.93
Zurich	30,057	23,352	77.69
Grand Total, 1935	2,842,663	1,240,982	43.66
1934	2,743,568	1,385,329	50.49

Burglary

(Official Government Figures)
(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Surety			
American Surety	3,623	—264	....
Canadian Surety	19,305	5,755	29.81
	22,928	5,491	23.98
British-America Western			
British America	11,424	5,945	52.04
British Canadian	4,138	1,824	44.08
British Empire	2,739	1,453	53.05
Imp. Guar. & Acc.	4,485	2,597	57.90
Western Assur.	20,461	11,244	54.95
	43,267	23,063	53.39
Canadian Fire			
Canadian Fire	4,150	—8	....
Canadian Indem.	58,949	29,094	49.35
	63,099	29,086	46.19
Canadian General			
Canadian General	50,694	18,466	36.49
Toronto General*	23,270	9,798	42.23
	73,964	28,264	38.26
Commercial Union			
Canada Acc. & F.	14,263	9,263	64.94
Union Assur.	8,851	4,918	55.56
Commercial Union Assur.	6,002	859	14.31
	29,116	15,040	51.68
Dominion of Canada			
Casualty Co.	14,963	5,627	37.61
Dom. of Can. Gen.	43,148	23,350	54.12
	58,111	28,977	49.87
General Accident			
Gen. Acc. of Can.	62,272	22,812	36.64
Gen. Acc., F. & L.	7,403	2,630	35.53
	69,675	25,442	36.55
London & Lancashire			
Law Union & Rock	3,835	2,469	64.38
London & Lanc. G. & A.	16,091	8,332	51.78
	19,926	10,801	54.78
North British & Mercantile			
North Brit. & M.	21,383	9,837	46.00
Occidental Fire	2,109	1,325	62.83
Railway Pass.	6,360	3,909	61.46
	30,852	15,171	49.26
Northern			
Lond. & Scottish	2,936	—60	....
Northern Assur.	31,230	15,821	50.66
World Marine	6,521	3,015	46.24
	40,787	18,776	46.26
Norwich Union			
Canada Security	4,784	2,121	44.34
Norwich Union	20,123	14,434	71.73
	24,907	16,555	66.49
Phoenix of London			
Union Marine	3,663	3,080	84.08
Lond. Guar. & A.	18,179	6,887	37.88
Phoenix Assur.	12,761	6,257	49.03
	34,603	16,224	46.89
Royal, Liverpool & L. & G.			
Globe Indem.	44,765	25,873	57.80
Liverp'l & L. & G.	6,613	3,118	47.15
Royal Insurance	46,464	25,095	54.01
	97,842	54,086	55.30
Sun			
Sun Insurance	8,861	4,854	54.78
Imperial Ins.	2,568	947	36.88
	11,429	5,801	50.88
United States Fidelity			
Fidel. Ins. of Can.	34,682	30,786	88.77
U. S. Fid. & Guar.	53,917	24,755	45.91
	88,599	325,541	36.78
Yorkshire			
London & Prov.	4,441	623	14.03
Yorkshire	17,593	6,569	37.34
	22,034	7,192	32.69
(B)—Individual Companies:			
Alliance Assur.	17,965	7,765	43.22
Atlas	7,545	1,548	20.52
Brit. Northwest'n	4,818	1,276	26.48
Century Insurance	—4,725	6,376	....
Continental Casual.	3,047	987	32.39
Employers Liab'ty	69,594	35,504	51.02
Employers Reins.	7,008	1,194	17.04
Federal*	8,806	6,706	76.15
Fidel. & Casualty	449	......	....
Fonciere Transport & Accident	14,584	16,028	109.90
General Casualty of Paris	44,365	16,863	38.01
Grain Insurance	14,232	3,332	23.40
Guardian Insur.	32,937	19,502	59.21
Guildhall	4,791	2,835	59.17
Hartford Accident	19,546	10,063	51.48
Indemnity Insur.	12,041	3,242	26.92
Legal and General	2,649	2,486	93.85
Maryland Casualty	33,083	11,683	35.31
Metropolitan Casu.	7,988	4,910	61.47
National Surety	16,307	19,590	120.13
Northw't Casualty	1,610	739	44.90
Ocean Accident	33,420	16,312	48.81
Pearl	5,123	1,778	34.71
Pilot	3,048	758	24.86
Portage la Prairie	—37	221	....
Prudential Assur.	16,237	10,006	61.62
Provident*	16,950	8,700	54.37
Reliance	3,360	543	16.16
Royal Exchange	20,411	16,992	83.25
Travelers Indemn.	98,805	54,077	54.73
L'Union of Paris	3,766	1,111	29.50
Union of Canton	18,606	10,746	57.76
U. S. Guarantee	3,170	815	25.71
Zurich	11,575	5,870	50.71
Wawanesa	1,546	119	7.70
Grand Total, 1935	1,286,833	649,383	50.49
1934	1,278,593	588,837	46.05

* Ontario licensed companies; official figures.

Hardware Mutuals Increase Dividends

Four Classifications Advanced to 40 Per Cent

Fereral Hardware & Implement Mutuals, formerly known as the Canadian Hardware & Implement Underwriters, has recently put into effect an increased dividend schedule on certain types of risk. Those which now are entitled to a dividend of 40 per cent in place of 30 per cent are: Office buildings where 75 per cent or more of the floor space is occupied for office purposes; fireproof buildings with non-manufacturing occupancies; all risks equipped with automatic sprinklers; and schools, churches and public buildings in protected localities.

As at Dec. 31, 1935, assets of the three companies for which Federal Hardware Mutuals is the Canadian underwriting agent, were: Hardware Mutual Fire Insurance Co. of Minnesota, $7 millions; Hardware Dealers Mutual Fire Insurance Co., $5.9 millions; and Minnesota Implement Mutual Fire Insurance Co., $5.6 millions.

No State Medicine For Saskatchewan

Health Minister Believes Province Not Yet Prepared

Saskatchewan is not yet ready for a state medicine scheme, according to Hon. J. M. Uhrich, Minister of Health in that province.

Dr. Uhrich quoted figures to show that the provincial municipalities were behind $35 millions in tax arrears and $500,000 in tuberculosis levy, and $5 millions in public revenue tax payments. "How in heaven's name can you expect the municipalities to carry a greater load?" he asked.

Speaking recently before the Legislature, Dr. Uhrich reviewed extensive medical work being done in the province and pointed out that the province was now paying for health services nearly $2.5 millions annually. This, he said, was more than the two-ninths share that the state would be required to contribute to a scheme of state medicine, as outlined in the British Columbia proposal.

ASSETS and LIABILITIES

"Insurance Policies of sound Stock Companies are always an Asset and never a Liability"

That is why every aggressive Insurance Agent should represent one of the following —

COMMERCIAL UNION Assurance Company, Limited
UNION Assurance Society, Limited
THE PALATINE Insurance Company, Limited
CANADA ACCIDENT and Fire Assurance Company
THE BRITISH GENERAL Insurance Company, Limited
THE CALIFORNIA Insurance Company
AMERICAN CENTRAL Insurance Company
NORTH WEST FIRE Insurance Company
BRITISH & EUROPEAN Insurance Company, Limited

COMMERCIAL UNION GROUP
HEAD OFFICE FOR CANADA
MONTREAL

FIRE AUTOMOBILE CASUALTY

NEW YORK FIRE INSURANCE COMPANY
Incorporated 1832

AMERICAN EQUITABLE ASSURANCE COMPANY OF NEW YORK

MERCHANTS AND MANUFACTURERS FIRE INSURANCE COMPANY
Chartered 1849

STATEMENT DECEMBER 31st, 1935

ASSETS	American Equitable Assurance Company*	Knickerbocker Insurance Company	Merchants & Manufacturers Fire Insurance Company*	Globe & Republic Insurance Company	New York Fire Insurance Company*
Cash	$ 790,666.46	$ 251,040.25	$ 285,323.39	$ 368,567.11	$ 334,768.94
U. S. Government Bonds	405,559.39	399,687.50	252,523.10	447,695.78	403,436.53
Other Bonds and Stocks	8,392,715.99	3,913,145.24	2,811,178.00	4,687,867.97	4,999,661.76
Real Estate	7,225.06	....	....	373,700.55	....
Mortgage Loans	16,350.00	71,100.00	....	....	228,450.00
Premiums and Accounts Receivable	657,904.12	126,793.94	212,482.35	514,006.15	212,158.82
Reinsurance Receivable	22,343.20	3,565.32	3,311.48	6,482.16	4,791.18
Accrued Interest	21,012.87	13,762.92	15,580.42	15,134.91	34,998.45
Total Assets	$10,313,777.09	$4,784,095.17	$3,580,398.74	$6,413,454.63	$6,218,265.68
LIABILITIES					
Reserve for Unearned Premiums	$ 3,965,380.82	$1,445,757.88	$1,356,423.61	$2,660,719.85	$1,966,619.02
Reserve for Losses	392,013.07	142,264.32	130,902.92	260,726.05	192,690.71
Reserve for all other Liabilities	253,201.75	56,810.71	60,943.68	81,722.46	76,337.21
Voluntary Reserve for Contingencies	200,000.00	125,000.00	....	300,000.00	200,000.00
CAPITAL	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
SURPLUS	4,503,181.45	2,014,262.26	1,032,128.53	2,110,286.27	2,782,618.74
Total Liabilities	$10,313,777.09	$4,784,095.17	$3,580,398.74	$6,413,454.63	$6,218,265.68

TOTAL ASSETS $31,309,991.31

*Companies of the Group Licensed by and maintaining full Deposit with the Dominion Government of Canada.

Corroon & Reynolds
(CANADA) INCORPORATED
J. MARCHAND, Manager

Head Offices in Canada: Insurance Exchange Building — Montreal
Ontario Branch Office: Metropolitan Bldg. — Toronto, Ont.
C. M. HENDERSON, Manager — FRANK DINGLE, Inspector

Provincial Offices:
Nova Scotia: H. N. Wrathall & Co., Ltd, Halifax, N.S.
New Brunswick: W. M. Angus Ltd., Saint John, N.B.
Manitoba: Jamieson & Brown, Winnipeg, Man.
Saskatchewan: Can. Underwriters Ins. Agency, Laroche-McDonald Agencies, Saskatoon, Sask.; J. H. Crawford Ins. Agency, Regina, Sask.
Alberta: Tyndale-Austin Agencies Ltd., Calgary, Alta.; Independent Insurance Exchange Ltd., Edmonton, Alta.
British Columbia: Blane, Fullerton & White Ltd., Vancouver, B.C.

Believe Crop Insurance Still in Nebulous Stage

Saskatchewan Committee Finds Difficulty in Devising Practical Basis for Calculating Rates — Previous Tests Disastrous

From Our Own Correspondent

REGINA.—The preliminary report of the Saskatchewan committee on crop insurance leaves the impression that the committee does not intend to rush matters and that crop insurance as an immediate prospect is entirely out of the question

The committee's definition of crop insurance contains these risks: drought, heat, frost, hail, wind, flood, snow, rain, disease, such as; rust or root rot but excluding those which plant pathologists consider controllable; and finally insects.

Part of General Policy

The committee does not regard crop insurance as a separate entity but a part of a well-rounded agricultural policy.

It appears to the committee that the principal question to consider is whether the farmer can maintain himself. If crop insurance can assist him in doing this, such insurance would be the corner-stone of an agricultural policy. This in turn, suggests to the committee that debt adjustment and land utilization should be directly co-ordinated with crop insurance

Notwithstanding, the committee is convinced the study of crop insurance must continue.

The committee has examined previous experiences in crop insurance. Two methods have been used in the past, one insured yield and the other price. On the first method by two companies in Minnesota, the Dakotas and Montana heavy losses were caused by drought over most of the insured area, also it was not clear that differentiations were made between soil and moisture variations. On the second method, a guaranteed price, the experience of the Hartford Insurance Company and the Kansas Agricultural Protective Mutual Insurance Company, resulted in losses due to drought. In 1920 the Hartford company received $800,000 in premiums and paid out losses amounting to $2,500,000. The disastrous price decline of 1931-2 hit the Kansas company severely and since then no insurance has been written. Both companies' policies guaranteed cost of production.

Essentials

The committee arrived at these essentials for crop insurance in Saskatchewan: A specified number of municipalities would have to be assured before the plan could operate; indemnity should be uniform, at least $4 per acre, the rates to vary according to conditions; zoning would be essential for satisfactory rates, indemnity should be exempt from creditors' claims; districts self-supporting under ordinary conditions must be included; sub-marginal and non-productive lands might have to be excluded; the premium would have to rank with taxes with respect to collections.

Difficulties

Difficulties outlined by the committee include: Adequate individual production records to determine average risk; variations of yields due to soils and farm management practices; sustained interest in periods of good crops and fair prices; devising a plan which would appeal to the majority; the possibility of a guaranteed return making farmers careless and less efficient; the fear of widespread tax delinquency threatening stability of the plan; the ability to pay in periods of low income and the difficulty of adjustments where the farmer refuses to salvage.

Complete Alphabetic Index To Fire & Automobile Figures

Companies included in the following index of fire and automobile insurers listed on pages 14 and 15, are classified according to the group number. Individual companies will be found grouped together under a single number.

	Fire	Auto
Aetna	27	..
Acadia	3	..
Affil. Underwriters	60	..
Automobile	54	..
Agricultural	42	40
Alliance Assur.	28	29
Alliance of Can.	..	..
Alliance Ins	15	37
American All.	21	36
Amer. Auto. Fire	..	1
American Auto.	..	1
American Central	4	..
Amer. Equit. of N. Y.	46	..
Amer. Exch. Union	62	..
Amer. Home Fire	54	44
American Ins.	33	42
American Reserve	54	..
Anglo-Scottish	25	20
Antigonish Farm. Mut.	59	..
Atlas	20	44
Bankers & Traders	42	44
Beaver	22	24
Bankers & Shippers	43	..
Bee	18	..
Baloise	54	..
Boston	42	..
British Amer.	7	3
British & European	4	..
British Can.	7	3
Br. Colonial	52	23
British Crown	16	44
British Empire	7	3
British Gen.	4	16
British Law	23	19
British Oak	47	8
Br. Northwestern	16	..
Br. Traders	22	..
Can. Recip.	..	62
Caledonian	29	44
Caledonian Amer.	29	..
California	4	..
Camden	41	34
Canada Acc.	4	16
Can. Security	10	10
Can. Fire	26	13
Can. General	50	2
Can. Indemnity	26	13
Can. Surety	41	34
Car & General	9	21
Casualty of Can.	51	6
Central	5	9
Central Manuf.	58	17
Century Ins.	25	20
Central Union	31	..
Citizens of N. J.	19	..
City of New York	6	..
China	22	24
Columbia	3	..
Comm. Mut.	59	44
Comm. Union Fire	4	..
Comm. Union Ass.	4	16
Conn. Fire	24	..
Conolidated	43	1
Continental Cas.	..	44
Continental Ins.	13	..
Cornhill	47	8
County Fire	21	36
Cumber. Farmers' Mut.	59	..
Dom. Fire	44	27
D. of C. Gen.	51	6
Eagle Star	16	..
Economical Mut.	55	..
Eureka Security	34	..
Ensign Ins.	44	..
Excess	45	..
Emp. Liability	17	5
Emp. Re-ins.	..	44
Equitable Fire & Mar.	24	..
Essex & Suffolk	20	..
Federal	43	39
Fidelity	..	30
Fidelity Phoenix	13	..
Fire Assoc. of Phila.	33	42
Firemen's Fund	38	..
Fire Ins. of Can.	45	..
Firemen's Ins.	44	..
First American	13	..
Fireproof Sprink.	50	..
First National	..	18
Fonciere T. & Acc.	49	44
Franklin	6	33
Gen. Acc. of Can.	48	4
Gen. Acc. F. & L.	48	4
Gen. Cas. of Amer.	..	18
Gen. Exchange	..	44

	Fire	Auto
Gen. Ins. of America	..	18
General of Amer.	54	..
General of Paris	35	44
Girard Fire & Mar.	44	..
Glens Falls	42	44
Globe Indem.	5	9
Gore Dist.	55	..
Grain Ins. & Guar.	42	..
Granite State Fire	40	..
Great Amer. Ind.	..	36
Great Am. Ins.	21	36
Guardian Assur.	11	..
Guardian Ins.	11	44
Guildhall	23	19
Halifax	54	44
Hand-in-Hand	2	11
Hanover	39	..
Hardware Dealers	57	41
Hardware Mutual	57	41
Hartford Acc.	..	25
Hartford Fire	19	25
Home Fire & Marine	38	..
Home Indemnity	..	33
Home Ins.	6	33
Homestead	6	33
Hudson Bay	1	..
Imperial Ins.	8	..
Imperial Guar.	7	3
Imperial Ins.	3	32
Indemnity	..	37
Indiana Lumber.	59	..
Individual Under.	60	..
Ins. Co. of N. A.	15	37
Ins. Co. of Penn.	42	44
International	54	..
Inter. Ins. Exch.	61	—
Kings Mutual	59	—
Law, Union & Rock	2	11
Legal & Gen.	36	44
Liverpool & L. & G.	5	9
Liverpool-Man.	5	9
Local Government	9	..
London-Canada	19	25
London & County	8	32
Lon. & Lan. G. & Acc.	2	11
London & Lanc. Ins.	2	11
London & Prov.	30	31
London & Scottish	14	26
London Assur.	23	19
London Guar.	3	7
Lumber Mut. of Boston	59	..
Lumber. Mut. Cas.	..	17
Lumber. Mut. of Mans.	58	44
Lumber. Union All.	61	..
Lumbermen's Ins.	43	..
Manuf. Lumber	62	..
Marine	..	39
Maryland Cas.	..	44
Merchants Cas.	..	44
Maryland Ins.	13	..
Merchants	2	11
Mercantile Fire	2	..
Merchants Fire	43	..
Merch. and Mfrs.	46	..
Merch. Marine	17	5
Mercury	37	28
Metrop. Cas.	..	27
Metrop. Fire	53	..
Metrop. Inter. Ins.	60	..
Michigan Fire	32	43
Millers Nat.	43	..
Millowners Mut.	59	..
Minn. Implement	57	41
Motor Union	9	21
National Liverpool	5	..
Niagara Fire	13	..
Nationale of Paris	45	..
Nat.-Ben Franklin	44	27
Nat. Fire of Hartford	42	..
National Liberty	6	33
National Provincial	9	..
Nat. Union Fire	39	44
Newark	1	12
New Brunswick	6	..
New Hampshire	..	44
New Hamp. Fire	40	..
New Jersey	43	1
New York Fire	46	..
North River	7	..
N. Y. Casualty	..	34
N. Y. Recrip.	60	..
N. Y. Under.	42	44

	Fire	Auto
North. Assur.	14	26
North British	12	22
North Empire Fire	3	..
Northwest Cas.	..	35
Northwest Fire	4	..
Northwest. Mutual	59	35
Northwest. Nat.	44	27
Norwich Union	10	10
Occidental	12	22
Ocean Acc.	42	44
Ohio Farmers	59	44
Pacific Coast Fire	25	20
Pacific Fire	43	..
Palatine	4	16
Patriotic	8	32
Pearl	34	38
Perth Mut.	55	..
Phila. Fire & Mar.	15	..
Phoenix Fire of Paris	35	..
Phoenix of Hartford	24	..
Phoenix of London	3	..
Provident	52	23
Prov. of Paris	52	..
Phoenix Assur.	..	7
Pictou City Mut.	59	..
Pilot	54	44
Pioneer	1	..
Planet Assur.	8	..
Port. la Prairie	59	44
Prov. Washington	42	44
Provincial	47	8
Prudential Assur.	18	44
Quebec Fire	2	..
Queen	1	12
Queen City	2	..
Queensland	43	..
Railway Pass.	12	22
Retail Lumber	59	..
Reliance	24	..
Rhode Island	42	44
Royal Exch.	9	21
Royal Ins.	1	12
Royal Scottish	14	..
Rossia Ins.	53	..
Sea Ins.	42	..
Stanstead & Sherb.	59	..
State Assur.	9	..
St. Paul Fire	37	28
St. Paul Mercury	37	28
Scottish Canadian	48	..
Scottish Metrop.	14	26
Scottish Union	31	44
Security N. H.	33	..
Security	..	42
Security Nat.	16	38
Sentinel	32	43
Southern	25	20
Svea	54	..
Springfield	32	43
Sun	8	32
Sussex Fire	49	..
Switzerland Gen.	52	..
Tokio Marine	42	..
Toronto General	50	2
Trans-Canada	52	23
Trans-Continental	42	..
Travelers Fire	42	15
Travelers Ind.	..	15
Union Assur.	..	16
Union of Canton	22	24
Union of Paris	54	44
Union Marine	3	7
Union Mutual	59	..
United British	9	21
United Firemen's	3	..
United Mutual	59	..
Union of London	4	..
United Pac. Cas.	..	44
Urbaine	36	..
U. S. Fid. & Guar.	..	30
U. S. Fire	42	..
U. S. Guarantee	..	39
Waterloo Mut.	55	..
Wawanesa	56	14
Wellington	43	1
Western	7	3
Westchester Fire	42	..
Westminster Fire	28	29
World Marine	14	26
Wapite	56	14
World Fire & Mar.	27	..
Yorkshire	30	31
Zurich	..	44
Underwriters Exch.	..	61

Fidelity

Loss Ratio Is Higher — Premium Volume Unchanged

(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Surety			
Canadian Surety	55,803	15,292	27.40
New York Cas.	....	....	....
American Surety	12,045	5,230	43.42
	67,848	20,522	30.26
British Am.-Western			
British America	16,508	7,579	45.91
British Canadian	2,253	2,766	122.77
British Empire	779	362	46.47
Imperial G. & A.	48,789	22,314	45.74
Western Assur.	4,840	2,033	44.00
	73,169	35,054	47.95
Canadian Fire			
Canadian Fire	10,465	—209	....
Canadian Indem.	77,643	21,272	27.40
	88,108	21,063	23.90
Dominion of Canada			
Casualty Company	2,371	6,714	283.17
Dom. of Can. Gen.	81,626	27,698	33.93
	83,997	34,412	41.01
London & Lancashire			
Law, Union & Rock	319	—5	....
London & Lanc.	16,739	—765	....
	17,058	—770	....
North British & Mercantile			
North Brit. & M.	5,509	2,120	38.48
Railway Passenger	4,189	600	14.32
	9,698	2,720	28.33
Northern			
Northern Assur.	2,932	2,622	89.43
Scottish Metropol.	520	—5	....
World Mar. & G.	317	638	201.26
	3,769	3,255	86.36
Norwich Union			
Canada Security	2,729	—26	....
Norwich Union	11,223	3,627	32.32
	13,952	3,601	25.90
Phoenix of London			
Lond. G. & Acc.	40,280	8,570	21.28
Phoenix Assur.	13,026	1,327	10.19
Union Marine	1,034	40	3.87
	54,340	9,937	18.30
Royal, Liverpool & London & Globe			
Globe Indemnity	15,254	—138	....
Liverp'l & L. & G.	4,506	1,235	27.41
Royal Insurance	15,549	—126	....
	35,309	971	2.75
Sun			
Sun Insur. Office	612	187	30.56
Imperial Ins. Office	353	....	....
	965	187	19.37
U. S. Fidelity			
Fidel. Ins. of Can.	33,411	8,593	25.72
U. S. Fidel. & Gr.	148,806	36,716	24.67
	182,217	45,309	24.88
Yorkshire			
London & Pr. Mr.	400	—62	....
Yorkshire	3,169	4,233	133.58
	3,569	4,171	116.87

(B)—Individual Companies:

	Net prems. written $	Net losses incurred $	Ratio %
Alliance Assur.	3,389	846	24.96
Canada Accident	9,427	—3,836	....
Can. General	31,833	10,526	34.34
Century Insur.	3,917	501	12.79
Consolidated	1,050	....	....
Employers' Liab.	116,679	41,658	35.70
Employ. Reinsur.	5,529	428	7.74
Fidelity & Cas.	—101	....	....
Gen. Acc. of Can.	28,583	15,848	55.45
Gen. Cas. of Paris	6,579	5,297	80.51
Grain Insurance	45,586	20,061	44.01
Guar. Co. of N. A.	88,114	14,042	15.94
Guardian of Can.	33,242	18,087	54.41
Hartford Acc.	1,958	....	....
Indem. Ins. of N.A.	35,615	3,151	8.85
Intl. Fidelity	4,338	209	4.82
Maryland Cas.	9,925	2,131	21.47
Metro. Casualty	555	300	54.05
National Surety	50,523	15,564	30.81
Ocean A. & Guar.	21,645	1,134	5.24
Pearl	998	—267	....
Pilot*	2,980	177	5.95
Provident*	23,106	4,366	18.89
Prudential Assur.	1,695	....	....
Royal Exchange	15,313	5,813	37.96
Standard Acc.	245	....	....
Union of Canton	5,922	2,586	43.67
Grand Total, 1935	1,182,244	339,054	28.68
1934	1,177,254	305,459	25.95

*Provincial licensed company.

Inland Transport

Loss Ratio at 36.3 Is Less Favorable

	Net prems. written $	Net losses incurred $	Ratio %
Ætna Insurance	182,387	53,448	29.30
Alliance Assurance	2,887	—373	....
Alliance Insurance	36,808	17,131	46.54
American Alliance	2,248	684	30.43
Atlas	5,330	1,675	31.43
Automobile	40,284	9,222	22.89
Boston	886	805	90.86
British America	14,432	7,964	55.18
Brit. and Foreign.	5,377	None	....
Brit. Northwestern	10,402	2,818	27.09
British Oak	17,775	8,126	45.72
Canada Security	6,403	2,711	42.34
Canadian General	9,382	3,453	36.80
Can. Indemnity	10,819	8,524	78.79
Commercial Union	12,942	68	0.53
Connecticut Fire	27,080	8,151	30.10
Continental In.	14,719	6,321	42.94
County Fire	425	110	25.29
Dom. of Can. Gen.	10,562	7,377	69.84
T. Eaton General	6,772	126	1.86
Equitable Fire	5,416	1,630	30.10
Federal*	1,765	None	....
Fidelity-Phenix	19,554	6,589	33.70
Fire Assoc. of Philadelphia	19,471	9,945	51.08
Fireman's Fund Ins.	14,269	1,650	11.56
First American	601	675	112.31
Gen. Acc. F. & L.	6,013	1,283	21.34
Gen. Cas. of Paris	2,145	1,154	53.80
Gen. Ins. of Amer.	4,101	1,247	30.41
Glens Falls	12,201	6,331	51.89
Great Amer. Ins.	20,263	4,700	23.19
Guardian Insur.	1,590	696	43.77
Hartford Fire	43,650	21,840	50.03
Home Insurance	36,322	12,145	33.44
Indemnity Marine	19,473	9,999	51.35
Insur. of N. Amer.	83,327	57,011	68.42
Legal and General	2,320	2,885	124.35
Liv. & Lon. & Gl.	16,345	5,482	33.54
London & Lanc. Guar. & Acc.	166	None	....
London & Lanc. Insurance	10,047	649	6.46
London Assurance	15,564	701	4.50
London Guar. and Accident	4,842	1,981	40.91
Marine	62,499	9,400	15.04
Maryland Insur.	434	230	53.00
Nat. Union Fire	9,954	3,262	32.77
Niagara	3,355	691	20.60
North Brit. and Mercantile	4,427	446	10.07
Northern Assur.	2,315	1,279	55.25
North River	2,354	91	3.87
Northwestern Nat.	745	1,470	197.32
Norwich Union F.	19,866	5,032	25.33
Ocean Accident	5,898	2,175	36.88
Pearl	4,885	3,156	64.61
Philadelphia Fire.	1,961	48	2.45
Phoenix Assurance	4,848	954	19.68
Phoenix Insur.	44,876	13,507	30.10
Pilot*	1,587	989	62.31
Providence Wash.	4,653	1,860	39.97
Provident*	3,996	3,020	75.57
Prudential Assur.	2,704	943	34.87
Queen of America	6,773	1,844	27.23
Rly. Passengers	1,298	597	45.99
Royal Exchange	1,611	69	4.28
Royal Insurance	28,209	7,492	26.56
St. Paul Fire	79,078	21,568	27.27
Sea	1,443	764	52.95
Springfield	8,841	4,764	53.89
Sun Insur. Office	1,766	300	16.99
Tokio	19,471	9,945	51.08
Toronto General*	8,588	1,304	15.18
Travelers Fire	27,165	4,078	15.01
Union Assurance	699	111	15.88
Union of Canton	34,556	21,874	63.30
Union Marine	8,339	1,946	23.34
United States Fire	19,471	10,388	53.35
Westchester	19,471	9,945	51.08
Western Assurance	28,865	15,907	55.11
World F. & Marine	7,795	3,926	50.37
World Marine	944	776	82.20
Yorkshire	6,727	837	12.44
Totals for 1935	1,249,842	453,922	36.34
Totals for 1934	1,101,476	371,161	33.70

*Provincial licensed company.

B. C. Salmon Pack Is Above Average

From Our Own Correspondent

VANCOUVER. — British Columbia's salmon pack totalled 1,529,022 cases last year, almost as large as 1934's and more than 300,000 cases in excess of the average pack over the last fifteen years.

The sockeye pack was 350,444 cases, 37,994 cases greater than the average of the preceding five years, despite the fact that the Skeena run was disappointing.

Plate Glass

Volume Unchanged With Losses at Lower Level

Loss Ratio Slightly Lower—Net Premiums Gain

(Dominion Licensed Companies)

(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British American-Western			
British America	4,195	2,204	52.54
British Canadian	2,097	1,019	48.59
British Empire	1,091	473	43.35
Imp. Guar. & Acc.	1,730	886	51.21
Western Assur.	4,860	2,636	54.24
	13,973	7,218	51.63
Canadian Fire			
Canadian Fire	4,118	2,301	55.88
Canadian Indem.	12,476	5,401	43.29
	16,594	7,702	46.41
Can. General			
Can. General	15,409	6,886	44.69
Tor. General*	9,963	4,506	45.23
	25,372	11,392	45.02
Century			
Anglo Scottish	34	575	1,691.118
Century Ins.	2,787	1,585	56.87
Southern Ins.	1,113	271	24.35
	3,934	2,431	61.79
Commercial Union			
Canada Accident	11,896	3,582	30.11
Com. Union Assur.	2,011	926	46.05
Union of London.	2,252	751	33.35
	16,159	5,259	32.48
Dominion of Canada			
Casualty Co.	15,333	8,458	55.16
Dom. of Can. Gen.	23,500	8,893	37.84
	38,833	17,351	44.68
Eagle Star			
Brit. Northwestern	1,873	250	13.35
Eagle, Star & Brit. Dominion	3,934	1,264	32.13
	5,807	1,514	26.07
General Accident			
Gen. Acc. of Can.	24,378	12,895	52.90
Gen. Acc. F. & L.	4,674	2,312	49.51
	29,052	15,207	52.34
London and Lancashire			
Law Union & Rock	3,433	2,110	61.46
London & Lanc. G. & A.	11,936	6,162	51.63
Hand-in-Hand*	1,685	454	29.64
	17,054	8,726	51.33
Massie & Renwick			
Dominion Fire	4,603	2,224	48.22
Metropolitan Cas.	2,178	692	31.77
	6,781	3,916	57.74
North British & Mercantile			
North Brit. & M.	6,921	3,312	47.85
Occidental Fire	1,002	188	18.76
Railway Pass.	4,717	2,437	51.66
	12,640	5,937	47.11
Northern			
Scottish Metrop.	977	441	45.14
London and Scot.	1,882	412	21.89
Northern Assur.	13,917	5,966	42.87
World Mar. & G.	5,661	1,654	29.22
	22,437	8,473	37.82
Norwich Union			
Canada Security	2,123	1,054	49.65
Norwich Union	13,925	5,028	36.11
	16,048	6,082	38.01
Phoenix of London			
London G. & A.	4,288	2,258	52.66
Union Marine	3,023	917	30.33
Phoenix Assur.	4,274	1,525	35.68
	11,585	4,700	41.74
Royal Exchange			
Motor Union	1,273	246	19.32
Nat'l. Provincial	16,070	11,861	73.81
	17,343	12,107	69.98
Provident			
Provident*	11,006	8,098	73.57
Trans-Canada	—2,795	—10	....
	8,211	8,088	....
Royal, Liverpool & Globe			
Globe Indemnity	11,582	6,096	52.63
Liverp'l & L. & G.	1,287	677	52.60
Royal Insurance	10,963	5,731	52.28
	23,832	12,504	52.53
Shaw & Begg			
Consolidated	9,426	4,325	45.88
Federal*	9,122	3,667	30.19
	18,548	7,992	42.30
Sun			
Sun Insurance	1,777	759	42.71
Imperial Ins.	3,978	2,436	61.24
	5,755	3,195	56.05
U. S. Fidelity			
Fidel. Ins. of Can.	3,257	2,522	77.43
U. S. Fidelity & G.	9,362	4,198	44.84
	12,619	6,720	53.33
Yorkshire			
London and Prov.	341	69	20.23
Yorkshire	6,973	2,708	38.84
	$	$	%
	7,314	2,777	38.04

(B)—Individual Companies:

	Net prems. written $	Net losses incurred $	Ratio %
Alliance Assur.	4,748	2,279	48.00
Atlas	2,697	623	23.18
Canadian Surety	7,930	3,153	39.76
Continental Cas.	7,504	4,126	54.98
Employers' Liab.	15,220	7,476	49.12
Fidelity & Cas'lty	85	....	....
Gen. Cas. of Paris	7,654	7,530	98.37
Gen. Cas. of Amer.	9,484	4,188	44.16
Great American	8,543	12,230	143.11
Guard. Ins. of Can.	9,650	6,112	63.34
Guildhall	3,242	1,679	51.79
Halifax	5,019	1,958	39.01
Hartford Acc.	4,481	2,901	64.74
Indemnity Insur.	7,749	2,806	36.21
Legal & General	3,619	1,640	45.32
Lumbermens Mut.	2,085	1,055	50.60
Maryland Cas.	6,475	2,486	38.39
Northwest Cas'lty	1,685	356	21.13
Ocean Acc. & G.	52,891	21,525	40.70
Pilot*	2,676	973	36.35
Portage la Prairie	—16	304	....
Prudential Assur.	8,134	3,583	44.05
Travelers Iidem.	9,071	4,169	45.96
Union of Canton	9,938	4,308	43.35
Zurich	4,921	2,224	45.19
Wawanesa	424	272	64.15
Grand Total† 1935	505,958	246,030	48.70
1934	508,960	264,625	51.99

*Ontario licensed company.

Employers Liab. & Workmen's Comp.

Volume More Than Double — Loss Ratio Little Changed

	Net prems. written $	Net losses incurred $	Ratio %
Alliance Assurance	6,888	—1,234	....
British America	1,629	—83	....
British Canadian	744	—735	....
British Empire	90	—2	....
Brit. Northwestern	535	234	43.74
Canada Accident	9,339	4,794	51.33
Canada Security	369	61	16.53
Canadian General	946	—100	....
Can. Indemnity	4,842	532	10.99
Car and General	227	None	....
Casualty Company	268	None	....
Century Insurance	215	—44	....
Consolidated	None	—566	....
Contin. Casualty	1,109	36	3.25
Dom. of Can. Gen.	1,053	479	45.49
Employers Liab.	78,797	13,472	17.10
Employers' Reins.	8,077	4,623	57.24
Fidelity and Cas.	661	536	81.09
Fonciere Transport	5,045	2,318	45.95
Gen. Acc. of Can.	23,422	15,756	67.27
Gen. Ac. Fire & L.	3,637	363	9.98
Gen. Cas. of Paris	5,575	1,433	25.70
Globe Indemnity	23,520	13,436	57.13
Guardian Insur.	10,592	2,004	18.92
Guildhall	2,283	—180	....
Hartford Accident	7,450	529	7.10
Imperial G. & Acc.	1,006	—37	....
Indemnity Insur.	458	None	....
Law Union & Rock	4,496	2,169	48.24
Liver. & L. & Gl.	2,486	1,547	62.23
London & Lanc. Guar. & Acc.	7,384	2,610	35.35
London & Provin.	59	None	....
London & Scottish	1,618	1,777	109.83
London Guarantee	12,161	8,988	73.91
Lumbermens Mut.	None	146	....
Maryland Casualty	16,156	28,961	179.26
North. Amer. Acc.	None	337	....
North British	5,987	2,445	40.84
Northern Assur.	6,004	3,778	62.92
Norwich Union F.	11,048	—1,994	....
Ocean Accident	8,296	1,105	13.32
Phoenix Assurance	3,791	2,630	69.37
Provident*	254,125	71,901	28.30
Prudential Assur.	8,132	3,555	43.72
Rail'y Passengers	1,993	2,702	135.57
Royal Exchange	13,180	7,709	58.49
Royal Insurance	22,275	12,721	57.11
Scottish Metrop.	52	None	....
Sun Insurance	507	None	....
Toronto General*	52,297	29,039	55.63
Travelers Insur.	39,769	38,443	96.67
Union of Canton	18,191	10,876	59.80
Union Marine	2,856	343	12.01
U. S. Fidelity and Guaranty	13,827	6,284	45.45
Western	2,078	—74	....
World Marine	3,019	1,938	64.19
Yorkshire	2,706	—123	....
Zurich	3,341	5,465	163.57
Totals for 1935	716,611	302,903	42.3[illegible]
Totals for 1934	349,213	149,174	42.72

*Ontario licensed company.

Surety

Premiums Written Higher — Loss Ratio Down Substantially

(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Surety			
American Surety	13,725	2,722	19.83
Canadian Surety	64,443	2,965	4.60
	78,168	25,687	32.89
British America-Western			
British America	6,632	—1,357	....
British Canadian	371	—71	....
British Empire	1,201	—188	....
Imp. Guar. & Acc.	6,705	—1,604	....
Western Assur.	7,120	—1,644	....
	22,029	—4,864	....
Canadian Fire			
Canadian Fire	6,195	125	2.02
Can. Indemnity	55,328	152	0.27
	61,523	277	0.45
Canadian General			
Canadian Gen.	96,698	—1,065	....
Toronto General*	52,935	1,764	3.36
	149,633	699	0.47
Dominion of Canada			
Cas. Co. of Can.	2,181	1,513	69.37
Dom. of Can. Gen.	17,423	2,904	16.67
	19,604	4,417	22.53
London & Lancashire			
Law Union & Rock	536	9	1.68
London & Lanc. G. & A.	18,420	—35,850	....
	18,956	—35,841	....
Northern			
Northern Assur.	2,151	757	35.19
Scottish Metrop.	220	—22	....
World Mar. & G.	158	....	....
	2,529	735	29.07
North British & Mercantile			
North Brit. & M.	1,748	....	....
Rly. Passengers	483	....	....
	2,231	....	....
Norwich Union			
Canada Security	675	....	....
Norwich Union	7,921	—83	....
	8,596	—83	....
Phoenix of London			
London G. & A.	25,079	5,097	20.32
Phoenix Assur.	4,144	....	....
Union Marine	2,923	411	14.06
	32,146	5,508	17.15
Royal Liverpool, London & Globe			
Globe Indemnity	8,764	5,610	64.01
Liverp'l & L. & G.	2,025	127	6.27
Royal Insurance	13,355	—161	....
	24,144	5,576	23.13
Sun			
Sun Insurance	812	....	....
Imperial Ins.	340	1	0.29
	652	1	....
United States Fidelity			
Fidel. Ins. of Can.	28,984	6,431	22.19
U. S. Fidel. & G.	85,819	51,435	59.93
	114,803	57,866	50.40

(B)—Individual Companies:

	Net prems. written $	Net losses incurred $	Ratio %
Aetna Casualty	16,706	9,265	55.46
Alliance Assur.	614	203	33.06
Canada Accident	11,374	8,075	71.00
Century Indem.	....	....	....
Century Insce.	445	....	....
Consolidated	2,872	—53	....
Employers' Liab.	34,564	12,385	35.83
Employ. Reinsur.	1,961	....	....
Fidelity & Cas.	83	....	....
Gen. Acc. of Can.	29,882	11,701	39.16
Gen. Cas. of Paris	11,002	641	5.83
Guar. of N. A.	16,960	—1,075	....
Guardian of Can.	9,089	138	1.52
Hartford Acc.	2,466	800	32.44
Indemnity Ins.	407	....	....
Maryland Cas.	2,669	617	23.12
National Surety	17,463	9,392	53.78
Ocean A. & Guar.	6,708	177	2.64
Pearl	1,719	....	....
Prudential Assur.	623	1,623	260.51
Royal Exchange	17,684	506	2.86
Yorkshire	617	—268	....
Standard Acc.	95	....	....
Union Canton	25	....	....
Grand Total, 1935	721,063	94,105	13.05
1934	696,101	114,056	16.38

*Provincial licensed company.

Correct Commission Ratio For British Companies

Attention of purchasers of The Financial Post Business Year Book, 1936 is directed to an unfortunate error which occurred in the tabulation of experience and expense figures for British fire insurance companies in Canada, on page 121 of that volume.

By a transposition, the commission ratio of six British companies was indicated at a considerably higher figure than was actually the case.

The new, corrected figure in each case is as follows:

Union Assurance—23 per cent.
Union of Canton—23 per cent.
Union Marine—23 per cent.
United British—26 per cent.
World Marine—21 per cent.
Yorkshire—26 per cent.

Dry-Ice Cheap; Used in Home

Prices of dry-ice, or solid carbon dioxide, have dropped in some localities to below five cents a pound, in small quantities.

The result is that refrigeration experts are predicting a wide use of this material for domestic refrigeration. Dry-ice for home refrigeration is a comparatively recent development, since its price has been prohibitively costly.

At current prices, it is conceded household refrigeration with dry-ice is still substantially higher in cost than common ice box service under city conditions.

Imperial Tobacco Units Become Private Companies

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been taken out by a number of Imperial Tobacco Co. of Canada's subsidiaries, changing them from public to private companies. The list includes United Cigar Stores Ltd., Empire Tobacco Co., American Tobacco Co. of Canada, Dominion Tobacco Co., Andrew Wilson and Co., Seales and Roberts Ltd., and H. Fortier Co.

Thompson Member Of Montreal Curb

MONTREAL.—J. Trevor Thompson has been elected a member of the Montreal Curb market. Mr. Thompson is secretary-treasurer and director of Hart Smith & Co. Ltd.

Hall Ormston & Co., Ltd.

Insurance Brokers

Specialising in All Classes of Insurance

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NORTH AMERICA GROUP
FOUNDED 1792

Financial Statement for the Year Ending December 31, 1935

1. Total Assets of Insurance Company of "North America" Group $140,975,617.00
2. Paid up Capital $12,000,000.00
3. Net Surplus 54,325,490.00
4. Surplus to Policyholders .... $ 66,325,490.00

Reflecting 144 Years of Insurance Service

Insurance Company of North America and Associated Companies

ALLIANCE INSURANCE COMPANY OF PHILADELPHIA
INDEMNITY INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

H. C. MILLS, General Manager

FIRE, AUTOMOBILE AND CASUALTY INSURANCE

PEARL
Incorporated in England 1864
ASSURANCE COMPANY LIMITED OF LONDON, ENGLAND
An Old and Firmly Established British Company

THE EUREKA-SECURITY FIRE AND MARINE INSURANCE COMPANY
GUARANTEED BY THE PEARL

Head Office for Canada
METROPOLITAN BUILDING - TORONTO
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Non-Par Sale Almost Equals 1934 Record

Post Analysis Shows Leading Firms Still Selling a Third Non-Par

INCREASE HALTED

Some curtailment in the sharp upward trend in sale of non-participating insurance is seen in the 1935 analysis made by The Financial Post of sales of ordinary business by leading Canadian companies.

Still 35 Per Cent

Figures received from 17 leading companies by The Financial Post on the distribution of their 1935 insurance sales as between participating and non-participating policies shows 35 per cent of total ordinary business to have been written on a non-par basis last year. This compares with almost a similar percentage in 1934, and a ratio of about 30 per cent in 1933.

Significance of this trend is further emphasized by the fact that only a few years ago analysis of the volume of business in force by these particular companies showed but 10 per cent of total business in force, to be on a non-par basis.

Most Show Increase

For these companies, total non-par business placed during the year was just over $123 millions—a slight decline from the corresponding figure of 1934. Volume of new business written by these companies, however, was slightly lower than a year ago, so that the proportion remains almost the same.

Analysis by companies shows that of these 17 for which figures are available, all but 6 showed increased volume of non-par sales during 1935. The figures do not include companies such as Metropolitan Life, Ontario Equitable, Travelers and Aetna, which write nothing but non-par business, nor do they include figures for Great-West Life and Sun Life, both of which issued very heavy volume of non-par business in recent years.

Up until recently, Great-West Life is understood to have been issuing as much as 70 per cent of its total ordinary sales on a non-par basis, while Sun Life non-par sales are said, until recently, at any rate, to have ranged as high as 40 to 50 per cent.

Comparative Figures

Comparative figures for the companies for which information is available during the last three years follow:

Non-Participating Ordinary Insurance Sales (Issued Basis)

	1935	1934	1933
Canada ..	4,188,831	5,869,633	6,594,398
Confed. .	24,879,044	23,261.931	20,066.789
Continent.	3,311,362	2,645,262	1,906,107
Dominion	9,001,617	11,910,334	6,910,045
Crown ..	15,459,863	14,095,500	12,570,952
Excelsior	10,002,439	8,821,995	6,028,568
Imperial	2,316,183	2,854,000	3,030,453
London ..	15,187,831	18,426,253	15,193,797
Manufac.	24,149,962	23,996,379	20,756,857
Mutual of Can. ..	2,682,672	2,007,735	7,140,435
Monarch	3,373,410	2,964,143	4,053,997
N. Amer.	.....	*5,564,435	*4,933,375
Northern	2,019,000	1,111,152	1,681,000
National ..	*5,443,583	*6,520,892	......
Prud. of Eng. ..	1,687,000	1,870,511	765,905
Sask.	349,000	203,030	278,750
Sovereign	4,627,232	3,539,361	890,154
Standard ...	*151,524	*132,500	......
Total ..	123,235,446	123,568,219	102,868,207

*Not included in totals.

New Appointments by Metropolitan

Leroy Lincoln New President—North and Wright Promoted

Major executive changes made by Metropolitan Life Insurance Co. last week include the elevation to the presidency of the company of Leroy A. Lincoln, formerly vice-president and general counsel. He succeeds Frederick H. Ecker, president of the company since 1929, who is now elected to the newly-created office of chairman of the board.

Other promotions of interest to Canada include Henry E. North, formerly a second vice-president, who now becomes a vice-president of the company. Mr. North was for many years manager in charge of the company's Canadian operations.

Harry D. Wright, who succeeded Mr. North as the company's chief executive in Canada, now becomes a second vice-president. He was formerly a third vice-president.

Lincoln a Lawyer

Leroy Lincoln, new president of the company, has been associated with the Metropolitan since 1918, when he teminated a successful eareer in private legal practice to accept the appointment as general attorney to the company.

A native of New York State, and son of a prominent lawyer, Mr. Lincoln first practised law in Buffalo, New York, until 1915, subsequently for a short time being counsel for the New York State insurance department. In 1926 he joined the Metropolitan, and in 1929 was made first vice-president and general counsel. He was elected a director of the company in November, 1929.

Salary Not Commission Given Industrial Agents

High tribute to the success of its new system of remunerating industrial agents by salary rather than commission was paid recently by Sir Edgar Horne, chairman, the Prudential Assurance Co. Ltd., at the annual general meeting in London.

Sir Edgar drew attention to the fact that the company's industrial accounts exhibited in 1935 a considerable variation among items shown as commission and expenses of management in previous years. Commissions paid during 1935 are very much smaller and expenses of management correspondingly increased.

New Viewpoint

In explanation, Sir Edgar pointed out that "the novel assumption by the Prudential of the administrative unit in industrial assurance which has been steadily developed for a number of years, has been now brought to fruition," and that service to policyholders, general administrative details and production of new business, whether the work is done at chief office or in the field, are regarded as of equal importance and are properly considered as being comprised in the general expression "management."

"As a consequence," says Sir Edgar, "the staff are remunerated not by commission, but by a salary which is revised in accordance with the general efficiency with which the business is conducted in all its phases. The new system is now sufficiently near completion to justify the alteration and is already having a profound effect for good on the general conduct of industrial activity."

Another important statement made by Sir Edgar was that the company's industrial branch expense ratio declined again during 1935 and now stands at 23 per cent of premiums received. Since 1920, the company has succeeded in reducing this ratio by 17½ points. "The significance of this can be seen when it is appreciated that the expenses last year were £3½ millions less than they would have been if the rate had remained at 40.5 per cent.

"The key-note of success in industrial assurance is and always has been service to policyholders. The major, but by no means the only service which is rendered by industrial assurance offices to their policyholders, is a house-to-house collection of premiums at weekly or other frequent intervals.

Only Feasible Method

"Experience extending over nearly a century has shown that this is the only method by which the benefits of life assurance can be provided for people who cannot pay premiums at quarterly or longer intervals. The wage-earning classes are thus enabled to make financial provision in the same manner as are other members of the community, so that in times of stress families are not broken up or maintained by charity.

"All transactions are carried out at the homes of the policyholders. We do not expect them to come to us; we go to them, whatever the nature of the transaction. The fact that all this work is carried out by agents personally should be borne in mind when comparing the cost of industrial and ordinary life assurance."

Annuity Sales At New High

Senate Enquiry Aims to Curb Expensive Drain on Treasury

That sales of federal government annuities would reach the record-breaking total of $20 millions in the fiscal year ending March 31, 1935, was disclosed in the Senate Chamber at Ottawa last week by Sen. F. B. Black in moving that a special committee be appointed to investigate the operations of this branch of government.

Senator Black stated that for the first 10 months of the fiscal year, total sales were almost $16 millions compared with $13.4 millions a year ago; $7 millions the previous year and amounts varying from $2 to $4 millions in prior years.

Government is Loser

"These figures indicate," said Senator Black, "that government annuities have become a very attractive investment. People are wise to buy them because so far as I know there is nothing that is so safe. But the point has now been reached where the money paid in is costing Canada too much.

"Originally the annuities were based on an actuarial table which showed the money would cost Canada 4 per cent. The actuarial tables of thirty-odd years differ from those used by insurance companies at the present time and the fact is that this money paid in by purchasers of annuities costs Canada 4.4 per cent in interest alone.

Need For Revision

"In addition there is overhead expense which has averaged $200,000 annually. The total cost to Canada of this money is practically 4½ per cent, but as we all know we can borrow money now much more cheaply than that. Therefore it is greatly in the interest of the Dominion of Canada to revise and revamp this whole scheme for we cannot afford to pay 4½ per cent for money when we can borrow on the markets of the world at 1½ to 2½ per cent.

The motion put before the Senate by Hon. F. B. Black and which was subsequently adopted, urged that a special committee be appointed "to consider and report upon the operation of the Government Annuities Act, and to make recommendations with respect to the desirability of extending or curtailing such operations; with power to send for persons, paper and records."

In addition, Senator Black asked the government to consider issuing an order to prevent the sale of further annuities after the end of March until such time as the operation of the act had been enquired into.

Insurance Inklings

ARMAND ROCHETTE, of Ottawa, has been appointed a special representative by the Continental Life Insurance Co.

A. O. F. GILL, of Charlottetown, has taken over the agency at Bridgewater, N.S., for the Continental Life for the counties of Lunenburg and Queens.

H. C. BENDALL has resigned as manager of the Prudential of England life branch at Hamilton, Ont. He will be succeeded by J. C. Purdy, of Montreal, as at April 1.

DAVID CHRISTIE has been appointed office manager of the Prudential of England (life branch) at the company's headquarters in Montreal.

Insurance Heads Meet at Quebec

Superintendents to Convene Last Week in August

The 19th annual conference of the Association of Superintendents of Insurance of the provinces of Canada will be held in Quebec City, August 25-28, following the annual meeting of the Canadian Bar Association at Halifax the previous week.

In addition to special and routine reports on life, fire and automobile insurance, the conference will receive a report on the uniform definition and interpretation of underwriting powers of fire, marine and casualty insurers from H. D. McNairn, superintendent of Ontario and secretary of the association; a report of a special committee headed by Charles Heath on accident and sickness insurance legislation; and a report of a special committee on quarterly returns of agents' balances as part of the general topic of credit and free insurance evils.

B. A. Dugal, superintendent of insurance of Quebec is president of the association, and Charles Heath of Manitoba, vice-president.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Civil Service Insurance

Could you give me some information regarding the Civil Service life insurance plan which I believe is operated at Ottawa through the Department of Insurance?

The Civil Service insurance scheme is a system of life insurance provided at low cost by the government of Canada for its permanent employees. Amounts of insurance may be issued in thousands from a minimum of $1,000 to a maximum of $10,000. Premiums may be provided for by deductions from salary monthly.

The rates are extraordinarily low, as may be indicated by the following table showing specimen rates for various terms per $1,000 of insurance.

Civil Service Insurance Rates

Age	Life	20 Years	15 Years	10 Years
20	$0.86	$1.11	$1.30	$1.69
25	0.99	1.26	1.47	1.91
30	1.17	1.47	1.70	2.21
35	1.41	1.71	1.98	2.56
40	1.71	2.02	2.33	2.99
45	2.13	2.44	2.78	3.54
50	2.70	2.98	3.35	4.22
55	3.49	...	4.11	5.08
60	4.60	...	...	6.19

In spite of these extremely low and attractive rates, relatively few Civil Service employees have taken advantage of this, as indicated by the fact that at the end of the fiscal year Mar. 31, 1933, returns show only 8,391 policies in force on 6,731 lives for a total insurance coverage of $25.3 millions. The act came into force in 1911. In 1933 for example, only 172 policies were issued under the act.

New York Life Has Big Stake

Investments Here Total $73 Millions at End of 1935

Total investments in Canada of New York Life at the end of 1935 amounted to more than $73 millions an increase of nearly $7.4 millions over the corresponding figure of last year according to figures contained in the company's 91st annual report. The company's assets in Canada amount to nearly $50 millions of which $27 millions are on deposit for protection of Canadian policyholders.

As reported in The Financial Post of March 7, the company now has in force in Canada $152.5 millions of insurance and in 1935 sold new insurance in the Dominion, on a paid-for basis, of $4.8 millions. During the year the company disbursed to living policyholders in Canada over $3.2 millions and almost $2 millions to beneficiaries. Total disbursements by the company to living policyholders was $141.6 millions and to beneficiaries almost $68 millions.

The company's total business in force at the end of 1935 was over $6.6 billions.

Big Opportunities Seen For Keen Life Agents

That there is today a greater opportunity than ever for the intelligent producer who will gain his prospects' confidence and take the time to make a thorough study of his present insurance, his present requirements, and actually goes to the detailed work of procuring the agreements from the various companies to carry out the co-ordinated plans, is the view expressed by one of the top-ranking underwriters on the continent, J. M. Stokes of Philadelphia, who last year was paid for $3 millions of business.

His major achievement was the placing of a policy for just over $2 millions on the single premium life plan, believed to have been the largest amount of insurance placed in 1935 on a woman policyholder.

This case, Mr. Stokes told Eastern Underwriters, was written after a thorough analysis of the woman's estate based on confidential information submitted for tax purposes, and was unusual in that irrevocable trusts were created for her children, into which trusts were deposited the sum of money sufficient to enable the trustees to buy $2 millions of insurance, most of which is on the single payment life plan. By this step there was a tremendous saving in taxes and the future income of the children assured.

The most important change in business of recent years, says Mr. Stokes, is that where in previous years a large proportion of his business was ordinary life, last year 16 different forms of policies were sold, including family income, retirement income, etc.

"Always a believer in monthly incomes and guaranteed estates, I have endeavored to co-ordinate my client's insurance to produce those results which he definitely desires to accomplish. Many producers talk about this in soliciting insurance, but once they have written the policy they fail to carry it through."

What Price Dividends?

When Life Insurance Dividend Cheques Get Smaller, Policyholders Naturally Wonder Why — Payments Down But 30 Per Cent from Peak — Policyholder Can Play Part Toward Increasing Distributions

Every day, thousands of life insurance policyholders throughout Canada receive neat, colored slips of paper indicating that another dividend has been paid to them on their policy.

Since 1931, these dividends, for most policyholders, have been growing smaller, depending on the type of policy, the length of time it has been in force and the manner in which individual companies have handled their dividend distribution in these depression years. Last year, for the first time a few scattered increases began to appear, and several more have been announced for 1936. The increases would be more general, probably, but for the fact that G. D. Finlayson, federal superintendent of insurance has requested that no increased dividend scales be allotted to participating policyholders until each company's balance sheet is placed on a "market" rather than an "average" or "authorized" valuation basis.

$30 Millions in 1935

In the aggregate the cut in these dividend cheques has not been nearly so great as the dividend cuts which industrial and other corporations have made. Thus The Financial Post estimates total dividend payments to policyholders in Canada in 1935 was about $30 millions, compared with a high point of $42 millions in 1931, indicating a decline of about 30 per cent.

Compare this figure with what has taken place in the industrial field, and it will be found that the low point of industrial dividends reached in 1933 was less than half the peak figure of 1930.

It is interesting, too, that dividends paid to insurance policyholders were much slower to feel the effects of the depression, and by the same token, their recovery has not been so rapid.

Reasons For Decline

The primary reason for this decline in both the case of the insurance and the corporation dividend has been a falling off in earning power. For insurance companies this means a loss of investment income caused by the general trend toward lower interest rates; defaults; inability to obtain return on mortgage investments due to moratoriums, depressed conditions in farm areas; cessation of industrial dividends and so forth.

Increased expenses and writing off overdue interest, together with inability to find suitable channels of investment for moneys now available, except at a very low rate, have also been important factors.

What Decline Means

A recent estimate by Mr. Finlayson, showed that in 1934 the average gross rate of interest earned was but 4.73 per cent, compared with 6.48 per cent in 1929. This represents an income loss of 1.75 per cent in that period, which on the $1.7 billions of invested assets held by these companies at the end of 1934 means a loss of income of approximately $30 millions annually.

For 1935, preliminary figures compiled by The Financial Post indicate that most Canadian companies suffered a further decline in that year, information from 25 companies indicating a falling off for 18 companies with small increases for seven.

For 1936, some further improvement is indicated, but as pointed out recently by Mr. Finlayson, one of the most important influences on the earning power of Canadian insurance companies has been "the effect of the default in interest payments on foreign government, corporation and municipal securities held by the companies." Thus, until there is more stability in debtor-creditor relationships, it will be difficult for companies to restore this reduced earning power.

Another cause has been the increasing taxation on the part of provincial governments, who continue the practice of exacting a tax on premiums, in spite of the fact that these premium deposits are virtually the individual savings funds of thrifty people. In 1934, for example, Canadian companies licensed at Ottawa paid $4.7 millions in taxes—double the sum paid ten years ago.

Misunderstanding

There is obviously misunderstanding in the minds of many policyholders as to the nature of these dividends.

For example, indignant policyholders frequently ask questions such as this: "Is it reasonable or legal for a company after having paid dividends for 10 years to suspend payments?"

In part the over-enthusiasm of insurance agents is responsible for this point of view for undoubtedly many insurance policies have been sold under the lure of high dividend returns and when, by reason of conditions such as have been experienced by all types of business in the past few years this return is temporarily curtailed, there is a natural resentment.

Conservatism Commendable

As a matter of fact the average policyholder might better commend rather than condemn a conservative stand on the part of the life insurance company in respect of dividends because the primary purpose of a life company is to conserve the funds which have been entrusted to it so that when the contract matures either by death or other cause, there will be ample assets to meet all obligations.

In many cases surplus earnings of companies in the past few years have been sufficient to warrant a higher dividend distribution than has been made, but many companies chose the wiser, more conservative and less popular course and decided to conserve their resources until the outlook seemed clearer.

Policyholder's Part

Today many industrial corporations are increasing dividend payments and restoring bond interest returns which had been temporarily suspended. The life companies still face grave problems, however, in the field of government and municipal issues and in their investments (such as mortgages) which are subject to restrictive legislation which retards rather than facilitates a healthy investment situation.

As one of the largest individual creditor groups in the Dominion, life insurance policyholders who hold participating contracts are therefore vitally interested in every move taken by legislative and other bodies which affects contracts and interest returns, for the restoration of higher profits on their policies depends in very large measure on the restoration of stability in these spheres.

Cheese Production

Cheese production in Canada as estimated for the year 1935 amounted to 100,398,282 pounds compared with 99,346,617 pounds in 1934, an increase of 1.1 per cent. A 2.8 per cent increase in the Ontario output was the principal factor in the situation.

Ontario Equitable Bill Now Before Parliament

First reading was given last week in the Senate Chamber at Ottawa of Bill S, "an act to incorporate the Equitable Life Insurance Company of Canada."

The bill is being sponsored in the Senate by Senator Laird, and carries out the proposal to incorporate a new company under federal charter and with a new name to take the place of the Ontario Equitable Life and Accident Insurance Co., of Waterloo.

N. B. Fish Pack

At the recent annual meeting of Connors Bros. Ltd., packers of sardines and sea foods at Black's Harbor, N.B., reports showed that during the past year, the largest pack in the history of the company had been put up.

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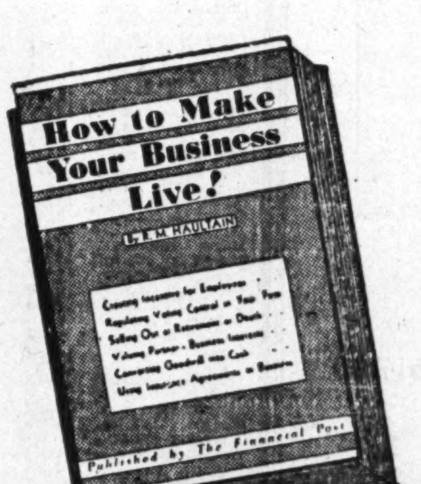

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Bank Chat

k Ranking

T recently there was published this column a ranking of the ng American and Canadian ks. Now the California Bank of Angeles carries the comparison ep farther and has compiled a of the 150 largest banks in the glish-speaking world. In this nor roll," which is based on total posits, Canadian banks take a ominent place. The Montreal is h on the list, and is closely folwed by the Royal. Other Canadian stitutions included in the compilaon are the Commerce in 22nd place, e Nova Scotia in 50th, the Imperial 102nd, the Nationale in 110th, the ominion in 114th and the Toronto n 120th.

An American institution, the Federal Reserve Bank of New York, heads the list, having a wide margin over England's huge Midland. In addition to these, the Chase National, Barclays, Lloyds, National City, Westminster, Guaranty Trust of New York, National Provincial, Bank of America National Trust, and Continental Illinois National Bank all are billion dollar institutions. That is, deposits mount to more than that figure.

It is estimated that English speaking countries number some 16,000 smaller banks amongst their financial institutions, most of them being in the United States.

* * *

Souvenir Coins

PROBABLY egged on by the surprisingly keen reception which greeted the jubilee silver dollar last year, a suggestion has been made that the Dominion mint $10 millions of the silver discs in honor of King Edward VIII. Strangely enough the scheme is proposed by a man who is said to have no interest in silver.

The reason for the suggestion is threefold: It would be a fitting tribute to the new ruler; it would provide a market for a lot of silver; and, following from the last, it would aid employment. It might even assist the Bank of Canada to get rid of some of the silver with which the government has harnessed it and which has proved a very large and a very white elephant.

There seems to be a good deal of merit in the proposal. But $10 millions is a lot of money. It means that practically every Canadian, man, woman and child, would have to buy a silver dollar. Of course, Americans might account for a substantial amount. But it appears very doubtful if this country, even with the aid of souvenir hunters in other lands, can absorb ten million coins.

* * *

Weather Conditions

THE unexpected return of winter to parts of eastern Canada two or three weeks ago caught a number of people unawares. Not the least of these, apparently, was the Bank of Montreal. Just at the tail end of the blizzard which in some sections was the worst storm of the entire winter, the Bank of Montreal monthly letter was received in the office. The first sentence on the front page reads:

"The advent of warmer weather has given a stimulus to the distribution of merchandise, and with better marketing opportunities rural purchasing power has increased, being now better than a year ago."

* * *

Preferred Stock

A NEW style in bank stocks has been set by the American Trust Co. of San Francisco. For the first time in American banking history, a commercial bank has issued a convertible preferred stock. The issue is one of $7.5 millions of 4 per cent $50 par preferred stock which is convertible into common shares on the basis of one common for each one and one tenth shares of preferred. It is stated that the issue is part of a plan to switch control of the bank.

* * *

Usurious Interest

BANKERS have often heard criticism of the six per cent interest which their customers pay on loans. But in Montreal the other day a court decision was rendered against a small loans concern which had charged as high as 640 per cent. In none of the instances cited at the hearing had the rate been under 200 per cent.

The company's loan business was thinly disguised as purchase and sale of a commodity—the commodity being the wages earned by the borrower. The borrower simply undertook to sell his wages for an immediate advance. It was thought this would legally evade any restriction of the amount of interest charged.

Decision of the court was based on the Federal Money Lenders' Act which makes it a criminal offense to lend money at more than ten per cent. There is nothing in the Quebec civil laws against usury.

Bank Debits Rise Sharply

Up 32.5 Per Cent Over February, 1935 — All Areas Gain

As compared with the same month in 1935, February bank debits showed a gain of 32.5 per cent. Most of this advance, however, is attributed to more active trading on stock exchanges, common stock prices being at a much higher level than a year ago.

All five economic areas recorded gains over February, 1935, and only four of the 32 centres from which reports are received by the Dominion Bureau of Statistics had a lower total. Advances ranged from 18.3 per cent in Ontario to 50.6 per cent in Quebec.

Adjusted Total Rises

Although the total was some $225 millions under that of the previous month, the decrease was less than seasonal. The adjusted total shows a gain of 5.5 per cent. Declines were registered in the Maritimes and the Prairies, but Ontario, Quebec and British Columbia showed improvement.

Bank debits in the first two months of this year amounted to $5,760 millions, up 21.7 per cent from the same period in 1935 as follows:

	Feb. 1936 $	Feb. 1935 $
Maritime Provinces—		
Halifax	21,681,479	19,127,997
Moncton	7,276,313	6,674,428
Saint John	14,869,159	11,056,345
Total—Maritime Provinces	43,826,951	36,858,770
Quebec—		
Montreal	808,663,635	536,907,725
Quebec	52,201,112	31,763,093
Sherbrooke	4,845,562	3,949,734
Total—Quebec	865,790,309	572,623,552
Ontario—		
Brantford	7,021,419	6,529,398
Chatham	6,787,120	5,475,384
Fort William	3,820,608	3,757,788
Hamilton	46,663,791	37,500,466
Kingston	4,492,109	3,880,833
Kitchener	9,730,063	8,211,382
London	30,967,000	24,276,180
Ottawa	90,886,642	128,364,421
Peterborough	4,565,993	3,441,823
Sarnia	5,298,806	4,599,240
Sudbury	4,786,152	3,826,915
Toronto	1,012,637,069	813,051,418
Windsor	30,571,054	20,600,297
Total—Ontario	1,258,232,826	1,063,515,525
Prairie Provinces—		
Brandon	1,811,511	1,903,390
Calgary	44,747,473	35,757,863
Edmonton	24,279,756	26,358,474
Lethbridge	2,962,038	2,881,553
Medicine Hat	1,681,986	1,680,257
Moose Jaw	3,509,393	3,353,173
Prince Albert	1,729,237	1,629,720
Regina	30,526,177	19,078,365
Saskatoon	7,008,484	7,082,806
Winnipeg	309,576,509	198,176,731
Total—Prairie Provinces	427,832,564	297,902,332
British Columbia—		
N. W'minster	4,567,992	3,801,991
Vancouver	139,788,841	94,382,556
Victoria	27,409,841	19,956,359
Total—B. C.	171,766,674	118,140,906
TOTAL FOR CANADA	2,767,449,324	2,089,041,065

Bank of Canada Weekly Statement

Changes in the balance sheet of the Bank of Canada in the week ended March 25 were largely confined to deposits. An advance of about $4 millions in government deposits was offset by a decrease in deposits of chartered banks of an almost similar amount. Sterling reserve was added to during the week.

Balance Sheet

	Mar. 25 $	Mar. 18 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	85,862,285	85,520,457
Rest fund	173,092	173,092
Dep.: Dominion	25,432,538	21,521,811
Banks	184,907,356	188,817,893
Other	1,634,914	1,567,171
Total deposits	211,974,808	211,906,879
All other liabs.	1,018,685	904,905
Total liabs.	303,828,870	303,505,333
Assets		
Reserve: Gold	180,013,319	180,001,682
Silver bullion	1,584,626	1,589,626
Res. in sterling	2,694,057	307,725
Res. in U. S.	8,726,645	9,381,688
Res. elsewhere	7,487	8,367
Total reserve	193,031,133	191,289,087
Subsidiary coin	301,892	290,626
Investments:		
Dom. govt. short.	26,865,092	26,260,611
Other Dom. govt.	81,852,786	82,396,650
Total invest.	108,717,878	108,757,261
Premises	119,474	119,454
All other assets	1,658,492	3,048,905
Total assets	303,828,870	303,505,333
Reserve ratio	64.85%	64.31%

Weekly Bank Clearings

	March 26 1936 $	Change year ago %	Mar. 19 1936 $
Halifax	$1,747,456	+ 5.4	2,068,054
Saint John	1,349,845	+ 5.2	1,699,038
Moncton	599,954	— 8.1	618,899
Sherbrooke	471,029	+ 20.1	484,062
Quebec	3,173,374	— 10.6	3,528,156
Montreal	90,429,507	+ 12.4	85,710,078
Ottawa	13,625,057	— 12.9	13,800,766
Kingston	376,865	— 7.2	418,731
Peterborough	532,391	+ 11.1	569,297
Toronto	119,070,391	+ 24.3	106,485,333
Hamilton	4,567,729	+ 53.0	3,900,763
Kitchener	1,006,195	+ 6.8	928,734
Brantford	803,111	+ 24.9	767,169
London	2,296,575	+ 19.4	2,608,522
Chatham	466,936	+ 5.0	428,613
Windsor	2,783,819	+ 25.0	2,904,563
Sarnia	422,927	+ 16.2	478,518
Sudbury	773,305	+ 4.0	716,490
Fort William	495,062	+ 14.9	525,670
Winnipeg	37,880,463	+ 26.9	42,035,491
Brandon	236,383	+ 8.6	281,855
Regina	3,747,590	+ 66.3	4,053,026
Moose Jaw	428,784	+ 19.6	572,994
Saskatoon	1,128,565	+ 20.1	1,195,120
Prince Albert	263,173	— 31.1	301,180
Edmonton	3,014,363	+ 5.3	3,478,109
Calgary	5,891,502	+ 54.0	6,363,511
Medicine Hat	193,402	+ 8.2	250,214
Lethbridge	408,914	+ 6.8	398,738
N. W'minster	515,796	+ 13.6	482,208
Vancouver	16,925,103	+ 19.5	17,561,549
Victoria	1,446,029	+ 27.7	1,601,129

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Mar. 24	Mar. 25	Mar. 26	Mar. 27	Mar. 28	Mar. 30
U. S. dollar, High	.5906	1.00 1/16	1.00 1/16	1.00 11/16	1.00 1/16	1.00¾	1.00½
Low	.5906	1.00¼	1.00 1/16	1.00¼	1.00 11/16	1.00½	1.00⅝
1935, High	.5906	1.00 11/16	1.00¾	1.00⅞	1.00¾	1.00 1/16	1.00 11/16
Low	.5906	1.00⅝	1.00 11/16	1.00 11/16	1.00 1/16	1.00 11/16	1.00 1/16
U. K. pound	4.8665	4.97⅛	4.97½	4.97⅝	4.97½	4.97⅛	4.97½
Argentina	.4246	.2767	.2767	.2769	.2768	.2767	.2769
Australia	4.8665	3.9720	3.9720	3.9715	3.9723	3.9727	3.9719
Austria	.1407	.1893	.1892	.1892	.1894	.1892	.1891
Belgium	.1392	.1700	.1700	.1702	.1702	.1700	.1700
Brazil	.1963	.0571	.0571	.0572	.0568	.0568	.0673
Czechoslovakia	.0296	.0417	.0417	.0416⅝	.0417	.0416	.0416
Denmark	.2680	.2221	.2221	.2223	.2220	.2220	.2221
France	.0392	.0663	.0663⅜	.0663¼	.0662⅝	.0661⅞	.0662⅛
Germany	.2382	.4050	.4049	.4048	.4043	.4027	.4028
Greece	.013	.0095¼	.0095⅜	.0095½	.0095½	.0093⅛	.0095
Holland	.4020	.6838	.6839	.6837	.6834	.6806	.6800
Hungary	.1749	.2976	.2972	.2975	.2977	.2976	.2975
India	.3650	.3788	.3789	.3792	.3796	.3790	.3794
Japan	.4985	.2901	.2902	.2905	.2906	.2905	.2904
Jugoslavia	.1929	.0231	.0231	.0231	.0231¼	.0231	.0230
New Zealand	4.8665	4.0120	4.0120	4.0115	4.0123	4.0128	4.0118
Norway	.2680	.2500	.2501	.2501	.2500	.2498⅛	.2500
Poland	.1122	.1904	.1903	.1903	.1906	.1905	.1902
South Africa	4.8666	4.9500	4.9500	4.9494	4.9505	4.9511	4.9499
Spain	.1929	.1375	.1375	.1375	.1374	.1373¼	.1372
Sweden	.2680	.2565	.2566	.2566	.2564	.2563½	.2565
Switzerland	.1930	.3222	.3283	.3283	.3292⅛	.3277½	.3269
Hong Kong	.3422	.3307	.3303	.3296	.3298	.3292¼	.3206

School Penny Bank System Under Fire

One of Country's Leading Child Psychologists Says Promotion of "Purposeless Saving" Ridiculous

Most people have taken for granted that the Penny Bank, which encourages thrift in Ontario school classrooms, is a splendid institution. But now one of Canada's leading child psychologists, an internationally recognized authority, declares that certain aspects of the system are psychologically wrong.

His objection to the Penny Bank is that it promotes "purposeless savings," which he regards as ridiculous. From its earliest days, he argues, the child should be taught to anticipate and accept the consequences of its every action. Most of the youngsters who take their pennies to school to go into the bank do so, contends this savant, without any reasonable comprehension of the ultimate purpose of their thrift. The very young child cannot visualize any result likely to be deferred more than a few hours. As he grows up, he will eventually reach the theoretical adult view of being able to plan and foresee things a lifetime ahead.

Mistaken Ideas

Many children get quite the wrong idea of savings and its purpose from their experiences with the school bank, he believes. For instance, many contribute their pennies solely to help their class get the flag that goes with a perfect week's record. He cites cases of children who save their pennies each week only to see the whole sum go to buy a ton of coal at the end of a few months. In one case, the child was given a cent every time he took his cod liver oil, and when there was a dollar in the bank it was withdrawn and used to buy another bottle of cod liver oil.

Very young children, he contends, should not save at all. As they get older, savings should be for the purpose of very early expenditure for things they themselves want or need. And until they get well on into their 'teens, their savings should be in cash in their own possession, so as to put upon them the responsibility of resisting the temptation to spend the money.

Claim Definite Purpose

Officials of the bank, when interviewed by The Financial Post, admitted that in some cases the psychologist might be right, but claimed that a large part of the savings were accumulated with a definite end in view. Sufficient proof to convince the most sceptical, they maintain, is afforded by a visit to the bank's offices just before Christmas. Not only are the youngsters immensely excited over buying presents with money they feel they have saved themselves, but their conversation indicates that gift purchases had been the motivating aim of their savings. Some, rather doubtful if the gift they had in mind would be entirely suitable, can be heard discussing with the clerks the relative merits of a wrist watch and an electric toaster as a present for mother.

If any further confirmation is required, a visit just before summer holidays, they feel, would demonstrate the purposefulness of the savings. For instance, one young lady of seven years has now a balance with the bank of $2.51, representing the major portion of her five cents a week allowance. Last summer she was captivated by a toy speed boat, and on pricing it, found that the cost was $5. She made up her mind that the only way she could get the boat was to save her money, and every few weeks she asks her parents how much more she needs and about how long it is going to be before she will have enough saved up to complete the purchase.

May Give Incentive

In some cases where an account is begun with no definite aim in mind, it is claimed that a real purpose is attained when the balance reaches sizeable proportions. When a boy's account totals $2 or $3, for instance, he may not have anything in mind for which to save. But when that balance rises to say $15, he may cast about to see how much more he requires to buy a bicycle.

It is quite true a child has no ability to visualize the future, but a young child is naturally growing into an older one, and if some idea of saving can be implanted, so much the better, contend the bank men.

It is admitted the children's money is sometimes used to purchase necessities such as coal for the entire family. However, they do not feel at the bank that this is entirely to be deplored. It provides a means whereby the mother can save through the children without the father knowing of it—to build up a reserve against a rainy day. Fundamentally, they contend, the bank is a force which emphasizes regular saving where otherwise the money would probably be wastefully spent. It develops character through the decision of the child to deposit his pennies in order to buy something worth while in the future, rather than pay them out for candies or some cheap knick-knack.

185,811 Active Accounts

To give some idea of the field covered by the Penny Bank, when the annual report was issued last June there were 185,811 open accounts, an increase of well over 6,000 over the figure given in the previous statement. This figure is from a total enrolment at the public schools where the bank operates of some 200,000. At the end of February, the total on deposit was $1,331,478, of which slightly more than half was in Toronto. This figure compares with $1,286,055 in February last year.

The number of schools, practically all of which are in Ontario, has also shown increase, rising from 475 to 492. Apart from Toronto and Ottawa, where the bank maintains offices, the balances are handled by the chartered banks and by mortgage companies. In all, these outside institutions handle the accounts of some 343 schools.

35 Per Cent Weekly

In January and February of this year, an average of 35 per cent of the pupils enrolled in the bank, deposited every Tuesday. Tuesday is bank day for practically all schools. There are two reasons for this choice. First, in most cases Saturday is pay day, so that a day as close as possible to it gives less time for Johnny to be tempted to part with his money elsewhere. And secondly, Monday, which was the choice until a few years ago, is too far removed from the previous school day. In other words, if the teacher tells Johnny on Friday that Monday is bank day, he is quite apt to forget all about it over the week-end.

Actual administration of the institution is most unusual. Apart from Toronto and Ottawa, half of the deposits are left with the bank or mortgage company which handles the accounts. These bear interest at two per cent, a rate which is passed on to the young depositors. The other half is invested under government supervision in government, government guaranteed and municipal bonds. There can be no speculation.

Operating costs are exceedingly low. The only paid staff is a small unit in Toronto.

The bank has a guarantee fund, analogous to the capital stock of a chartered bank, except that it has been contributed. The fund, which at present amounts to $20,000, serves as a reserve. Anyone who contributes $100 to this guarantee fund automatically becomes a "member" of the bank. From the members, directors are chosen. No member or director may receive any remuneration for his services. No profits can be divided or paid to a member at any time. It is a striking tribute to the bank's worth that its personnel includes many nationally known Canadians.

There are many unusual features about this unusual institution. For instance, there is a clause in the Penny Bank Act, under which it is chartered, that accounts cannot exceed $300. This makes it in reality a penny bank and prevents competition with the chartered banks. A week's notice is required for withdrawals, this provision being adopted when it became obvious that in the course of the week, young minds quite frequently changed.

The Penny Bank as chartered in 1905 was really the incorporation of a number of voluntary school and religious savings enterprises dating back as far as 1877.

Assets of $1.3 Millions

The most recent annual statement, as at June 30, 1935, shows that the bank has total assets of $1,315,244, comprised of securities of $1,017,691, deposits with the Post Office Savings Bank of $63,800, cash on hand and in banks of $232,807 and stationery of $946. Liabilities include deposits of $1,271,796, accrued interest of $17,500 and surplus funds of $25,949.

As stated above, investment of the bank's funds is limited to Canadian municipal and government securities. Declining book values on holdings led to the granting of a guarantee of $150,000 by the Ontario government about five years ago. This guarantee has never been utilized, nor do officials of the bank believe that it will ever be necessary to call on it. However, the Penny Bank is different from other financial institutions in that it has no large reserves accumulated from profits. The bank is not operated for profit as has been explained.

The investment portfolio has been revised in the last few years, and the bank's position is said to have been considerably improved. About 90 per cent of security holdings are now in Ontario issues. A very large proportion of cash is held—it is said to be about 35 per cent of all assets.

The Public Expects Fair Play

THE editorials in Canada's daily and weekly and religious newspapers are barometers of public opinion in every section of the Dominion. From coast to coast, the press has disapproved the handicaps imposed on our own national magazines and periodicals by the removal of taxes on United States publications without commensurate removal of taxes and duties payable by Canadian publishers.

The Canadian people expect their Government to remedy this injustice created by the United States-Canadian Trade Treaty, not by restoring the taxes on foreign publications, but by eliminating the taxes and duties imposed on native publications.

The publishers of magazines and periodicals in Canada are not asking that a duty be imposed on foreign magazines. The remedy they are suggesting will not cost the magazine readers of Canada a single cent.

Support of the press and public for such action by the Government has already been demonstrated by editorials previously reprinted. Here are more extracts from fresh newspaper comment.

BURDENS SHOULD BE TAKEN OFF

......there is a place, of course and an important one, for Canadian magazines. These publications, if they are well managed, have an appeal of their own for Canadian readers and they should be a factor in making different sections of this big country understand one another better and thus strengthening the national ties. But they have admittedly strong competition from United States magazines and they should be under no handicap at all in that competition. As far as production costs are concerned, they should have an even break with United States publishers. Canadian magazines will take the wrong line if they seek to penalize their American competitors; what they should advocate is that duties that add to their burdens should be taken off. They should join the low tariff procession.—THE WINNIPEG FREE PRESS.

RIGHT OF WAY FOR CANADIANS

If it is prejudice to wish that the people of this country should read Canadian magazines in preference to American publications it is the prejudice of patriotism. There is no doubt that some of the American publications are high-class; there are many that are the reverse; some that are positively distasteful, and there are others which contain propaganda detrimental to Canadian ideals.

There is an element, and a fairly substantial one, in Canada that prefers American magazines to Canadian publications. That is a regrettable thing, but it is probably the one which dictated the course of the Government in allowing the free entry of American magazines. The fact that those magazines can now be obtained at a lower price than when a duty was imposed means substantial increase in their circulation and consequent decline in the circulation of the Canadian products. **This is not a matter that concerns the newspapers in a business way. It does concern them, and all patriotic thought in the country, as it affects the development of Canadian ideals. The newspapers of the Dominion have a mission of national significance in sustaining the plea that Canadian magazines should have right of way for circulation in the country where they are published.—THE DAILY COLONIST, VICTORIA, B.C.**

A COMPELLING ARGUMENT

......When the Trade Treaty with the United States was announced we pointed out an objectionable feature, namely that the King Government had removed the tariff on foreign publications, including the low, vulgar and demoralizing output of certain American publishing houses. We protested, in the name of Christian citizenship, against the inundation of filth which was bound to follow.

But there is another, and a very compelling argument against the tax removal incorporated in the Reciprocity Pact. If we are to develop, strengthen and maintain a distinct national consciousness; in other words, if we are to be Canadians and not imitation Americans (using that term in its accepted but rather illogical sense,) we must not permit our country to be flooded with periodicals glorifying American ideas and institutions. It is not possible to over estimate the effect of such reading matter upon our national life. And who will deny that there are things distinctively Canadian worth preserving and handing down to the generations to come?

But why cannot Canadian periodicals compete on equal terms with publications from across the border? Because of duties, sales tax, increased postage imposed by the Canadian Government, from which U. S. publications are exempt. Because—and here's the joker—the cost of paper (a lot of it made from Canadian pulp) is considerably higher than the prices which obtain in the United States.—THE CANADIAN FREEMAN, KINGSTON, ONT.

PRESERVE OUR OWN FAITH

......In this country, we have our own way of looking at things, we have our own bent of national culture, our own standards of conduct. The United States has likewise its distinctive ways of living and its own social standards. We should preserve faith in our own country and institutions instead of running after the gods of any other nation. We are fully conscious of the arguments which are raised against embargoes on literature, but we still think that in order to hold to our own wholesome way of thinking and living, we should discourage the flooding of our country with current literature adapted to the upsetting ideas of another nation.

On the economic side this current literature of a popular character which comes from the United States is injurious to producers here. People who have the money to gratify their fancies are inclined to spend largely upon articles of United States production, brought to their attention by magazines from the other side of the border. In this way a great amount of trade is lost to Canadians. **Our feeling is that with the interests of Canada and Canadians at heart, the Mackenzie King Government should reconsider its action in opening the door once more to the inundation of the Canadian market by the overflow production of American magazines of the lighter character. Operating in a comparatively limited field, our own publications will again experience difficulty in standing up against the mass output from United States printing presses.—THE MAIL AND EMPIRE, TORONTO.**

UNFAIR DISCRIMINATION

Maclean's reports that it paid $13,300 in sales taxes in 1935 on the paper, ink and engravings it used; it also contributed $49,000 to the Canadian post office. "Now it is compelled to compete with the finished products of publishers of another country who pay none of those duties, excise or sales taxes."

In view of these facts, it is not surprising that Canadian magazine publishers should feel that they are suffering from unfair discrimination.—THE HAMILTON SPECTATOR.

"PROTEST MOST VEHEMENTLY"

The daily and weekly press have united in a common cause, and rightly so, to protest most vehemently against the recent tariff changes that threaten seriously handicapping the printing industry in Canada. Under the recently completed treaty with the United States, the tax on imported magazines and newspapers was abolished, and Canadian publishers were placed in a very compromising position. Canadian newspapers and periodicals are subjected to numerous burdensome taxes that their American competitors do not have to face, and then the latter are admitted to this country in competition with the home enterprises.

......It would seem that American periodicals are actually receiving protection in the Canadian market to the discomfort and at the expense of Canadian publications. As **Saturday Night** points out editorially the Canadian publisher cannot even things up by invading the field of American publications, for the American reader has no interest in the thought and business of his little ten million neighbor, as the Canadian has in those of his great 120 million neighbor. The Canadian publishers are not asking for preferential treatment; but they do ask that their own land give them equality of treatment with the foreigner. **Unless American publications are restricted to the extent that their burdens are as heavy as their Canadian contemporaries, the printing industry in Canada is due for a decided setback.—THE CANADIAN STATESMAN, BOWMANVILLE, ONT.**

THE DESIRE OF THE PEOPLE

......the Canadian periodical has only one advantage—the fact that it is produced by Canadians for Canadians and not by foreigners for the people of another country. This advantage, it must be admitted, is becoming increasingly important with the growing national self-consciousness of Canadians and their increasing desire for the literary expression of Canadian ideas and Canadian ideals. Nevertheless it is an inadequate offset for the difficulties under which the Canadian periodical press labors owing to the smallness of its market and the increased price of practically all the raw materials which it has to consume. We are confident that it is the desire of the Canadian people to maintain, expand and strengthen their periodical press, as much in the magazine field as in that of the newspaper. **In those circumstances it seems only logical that the Canadian magazine publisher should be relieved of all burdens to which his American rival is not subject, or should receive some compensating advantage for any burden of which he cannot be relieved.—SATURDAY NIGHT, TORONTO.**

GIVE OUR OWN A SQUARE DEAL

After the Liberals swept into power last fall, they set out to do the business of government in true workman-like fashion, passed laws and signed agreements designed to make for a greater Canada.

Reciprocal trade with the United States seemed to be a good thing, so it was done. And with it was removed the annoying tariff on many splendid American magazines. However, something slipped badly in the deal because now these periodicals come into Canada absolutely free of charge, while Canadian publishers pay heavy sales and other taxes on raw materials and art work. The resultant and, we believe, unintentional implication is that a premium has been placed on things Canadian, which is bad business, to our way of thinking.

Please understand that the present legislation does not affect **CANADIAN BUSINESS** seriously. But it does affect **Maclean's, Canadian Home Journal, National Home Monthly** and others of that character. These magazines are doing a splendid job and deserve fair play without favor one way or the other.

The remedy is a simple one. Either tax American magazines equitably with ours or remove the Canadian taxes from the shoulders of our own publishers.

Blood is and always will be thicker than water. By all means let us have foreign magazines without restraint. But first let us make sure of giving our own a square deal.—CANADIAN BUSINESS.

AMERICANIZATION OF CANADA

It is most obvious that the new trade deal for Canada is anything but a fair deal for the publishers of magazines. But we have our doubt about any prospective remedy or compensatory help. In every case where sacrifice is made no matter how heavy, it is, allegedly, for the general good. Thus the appeal of **Maclean's** editors will not be heard on its merits at all. **A by-product of the present government policy is the further Americanization of Canada, but our Prime Minister is internationally minded, and that's that.—ST. CATHARINES STANDARD.**

SCARCELY CONCEIVABLE

......And now, under the reciprocity treaty, the duty on American magazines and the periodical press has been removed, and these publications are again making a dead set on the Canadian market. Already one American magazine is claiming the largest circulation in Canada of any publication of its class. Meantime, the Canadian magazines are deprived of the advantages that, in recognition of the difficulties against which they contend, were afforded them both by the Liberal and Conservative Governments. They are making a plea for fair play, which will find an echo in the heart of every Canadian concerned for the maintenance of a national and British sentiment in this Dominion. From the standpoint of trade, also, it is desirable that we should build up national publications, rather than turn over the Canadian field to publications from across the line, for a large part of the latter are composed of advertisements of a most alluring character, and in the phrase once used with telling effect by a former Orillian, "trade follows the advertisements." **It seems scarcely conceivable that Mr. Mackenzie King and Mr. Dunning will at least not restore the tariff advantages conferred on Canadian magazines when they were previously in office.—THE ORILLIA PACKET AND TIMES.**

WHISKY VS. IDEALS

......There are, however, serious losses in the printing trade, due to the lifting of the embargo on American publications, and the printers and publishers are complaining. The chief gain appears to have been in the export of liquor, and it is questionable whether this is sufficient compensation for losses in other directions where the labor market has been affected. The pact will have to show something more than a doubling of the exports of whisky to prove its worth to Canada.—STRATFORD BEACON-HERALD.

SWAMPING OUR INDIVIDUALISM

Aside entirely from any financial consideration, favorable or otherwise, it is to be regretted if our newsstands are to be again flooded with American periodicals. Many of these publications are of a high order of merit, and no exception can be taken to their circulation on that score; but the point is that, naturally enough, they view everything from the U. S. standpoint, and Canadian readers also naturally enough absorb the same ideas. This makes for a belittling of our own Canadian background, which is one of which every Canadian should be proud. Living next door to a great neighbor, we are apt to let our own individuality be swamped instead of encouraged, and popular reading matter is one of the most potent influences in this direction. Many Canadian magazines have improved immeasurably in the last few years and can now stand up well to the older-established publications south of the border, if just Canadians do not withdraw their support from the Canadian firms.—THE FOREST STANDARD, ONT.

THE MAGAZINE TAX

......Like most devotees of tariffs, the former government thought it could right every wrong, correct every evil, by the tariff. So it proceeded to enact customs taxes to root out the influence of flashy advertising. The result was that the importation of certain magazines dropped 64 per cent in four years. But was the influence killed? We doubt it.

The House of Commons approved the lifting of the tax, making the entry of reading matter free. This, we believe, is as it should be. **If the present government wants to help Canadian publishers, it has plenty of scope to do so in the customs law. It can meet the publishers' request to lower the duties, now excessive, on machinery, equipment and other materials which go into the making of Canadian periodicals.—THE CITIZEN, OTTAWA, ONT.**

CANADIAN LITERATURE

......Canadian publishers are willing to let their productions compete on their merits against the periodicals of any country. In such a defiant gesture they set themselves no small task. It must be obvious to anyone that producing a magazine for 7.5 millions of people (our English-speaking population) is, economically, a vastly more expensive proposition than producing one for 125 millions of people, as United States publishers are able to do.

Thus if taxation and tariff conditions were equal the Canadian publisher would still start with a very serious handicap. Against this handicap of comparative size of markets he does not declaim. What multiplies the problem is the fact that to this handicap are added tax and tariff burdens that make the competitive position almost insurmountably uneconomic from the start. The Canadian publisher pays more for his paper, his inks, his type, his machinery and his other supplies because of customs tariffs and sales taxes that are not borne by his foreign competitor. He pays a high postage rate, one increased during the depression.

Probably there is no other product that has to face such competitive conditions as these. On everything that enters into the production of a magazine in Canada there is a high protection and heavy taxation. And yet the finished product itself is not protected.

Canadian magazine publishers have not demanded the restoration of the protection they were given during the depression. But **they are asking that the extra tariffs and taxes that have been piled upon them in recent years—taxes that they bear and that their foreign competitors do not bear, even when they sell their products in Canada—be taken off.**

It was a curious thing that happened in the reciprocity agreement. All Canadian taxes on American magazines were taken off, leaving them free of contribution to the Canadian treasury. Yet the heavy tax and tariff burdens that Canadian magazines must bear remain as yet untouched.—THE FINANCIAL POST, TORONTO, ONT.

"SOME WAY OUT OUGHT TO BE FOUND"

The demand of the Canadian magazine publishers that they be given an equal chance in the Canadian market with American and other foreign literature is not unjust. Canadians, while not desiring legislative restriction on foreign literature, nevertheless are more vitally interested in the successful production of Canadian periodicals, giving to Canadian thought and Canadian industry as fair a chance as is given to American ideals and American industry in the Canadian household. Canadian periodicals are taxed for federal and provincial revenues; they are compelled to pay duty on all imported materials. With the product of their American competitors entering practically duty free, and without local taxation, local magazine publishers justly feel that **the government is practically subsidizing the American publisher. Some way out ought to be found, which will give to the Canadian publishers at least an equal chance with the American publisher in the Canadian field. Anything short of this is manifestly unfair and unpatriotic.—THE HUNTSVILLE FORESTER, ONT.**

CANADIAN PUBLISHERS AT A DISADVANTAGE

......The monetary phase of the question is of immediate interest to the publisher. The Pact provides that presses and typesetting machines will not pay import duties; nevertheless such machines are subject to a 3% excise and 6% sales tax, making **a total of 9% increase in capital expenditure; thereby increasing the cost of production of Canadian periodicals, and placing the Canadian publisher at a further disadvantage in this respect to his American competitor. In addition there are approximately 100 items of material and equipment used in publishing periodicals that have to be imported because of a limited Canadian market for these goods. These items are subject to duties ranging from 5% to 33% (excluding excise and sales tax), in addition to a liberal agent's commission.—PORT HOPE GUIDE, ONTARIO.**

PUBLISHED BY CANADIAN NATIONAL NEWSPAPERS AND PERIODICALS ASSOCIATION, TORONTO

STOCK AND BOND MARKET QUOTATIONS

This table is confined to official prices for listed stocks. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

MONTREAL, TORONTO AND CURB STOCKS
WEEK ENDING MARCH 30

Range 1936 High	Low	Div Rate $	Mar28 Y'ld %		Sales	Last Mar. 23	Week end. Mar. 30 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	1963	2.00	2.00	1.75	1.80
13	6¾	.	...	Do. pref. 6%	702	10¾	10	9	10
12½	6¾	.	...	Do. cert. dep.	162	10½	9½	9½	9½
18	11½	.	...	Acme Glove	465	14	18	16½	17
59	47	3.25	5.5	Do. pref.	42	54¾	59	55	59
10	9½	40c	4.3	Agnew Surp.	....	(9 bid 10 asked)			
107	100	7	6.5	Do. pref.	....	(— bid 105 asked)			
6	4	.	...	Alta. Pac. Gr.	50	5	5½	5	5½
39	25	.	...	Do. pref.	30	31	32	32	32
3	2	.	...	Amal. Electric	....	(3 bid — asked)			
23	14	.	...	Do. pref.	....	(20 bid 21 asked)			
40½	29¾	15c	...	Amer. Cyn. B.	....	(— bid 37¾ asked)			
54½	51¾	3.50	6.4	Ang. C. Tel. p.	....	(53½ bid 55 asked)			
24	17½	.	...	Asbestos v. t.	1082	20½	23	21	23
15	10	15c	...	Assoc. Brew.	45	11	11	10¾	10¾

[illegible]

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

April 1, 1936

Dominion of Canada Bonds

		Bid Apr. 1	Asked Apr. 1	Approx. Yield	Bid Mar. 25
Dominion .. 2	15 Oct. 1936	100.00	100.70	.69	100.35
Dominion .. 5	15 Nov. 1936	102.00	102.50	.97	102.25
††Dominion .. 5	1 Mar. 1937	104.00	104.50	.10	104.00
‡Dominion .. 5½	1 Dec. 1937	107.85	108.20	.55	107.95
Dominion .. 2½	15 Oct. 1939	102.60	103.10	1.60	102.60
Dominion .. 4	15 Oct. 1939	107.35	107.85	1.70	107.25
Dominion .. 2	15 Nov. 1939	101.15	101.65	1.53	101.15
Dominion .. 4½	1 Sept. 1940	110.00	110.50	2.00	110.35
Dominion .. 5	15 Nov. 1941	113.00	113.50	2.43	113.25
Dominion .. 3	15 Oct. 1942	104.75	105.25	2.14	104.75
Dominion .. 2½	1 June 1943	102.25	102.75	2.09	102.25
Dominion .. 5	15 Oct. 1943	114.00	114.50	2.85	114.15
Dominion .. 4½	15 Oct. 1944	112.00	112.50	2.84	112.50
▪Dominion .. 2½	15 Aug. '43-45	98.50	99.15	2.60	98.50
Dominion .. 4	15 Oct. '43-45	108.00	108.50	2.74▲	108.65
Dominion .. 4½	1 Feb. 1946	112.00	112.50	3.02	112.35
Dominion .. 3½	15 Oct. '44-49	103.25	103.75	3.00▲	103.75
Dominion .. 4	15 Oct. '47-52	106.75	107.25	3.26▲	107.35
Dominion .. 3	1 June '50-55	98.00	98.50	3.10	98.15
Dominion .. 4½	1 Nov. '46-56	109.35	110.00	3.40▲	109.75
Dominion .. 4½	1 Nov. '47-57	109.35	110.00	3.47▲	109.75
Dominion .. 4½	1 Nov. '48-58	109.75	110.25	3.51▲	110.15
Dominion .. 4½	1 Nov. '49-59	109.87	110.35	3.56▲	110.25
▪Dominion .. 3¼	15 Jan. '56-61	100.15	100.85	3.19▲	100.50

Dominion Guaranteed Bonds

		Bid	Asked	Yield	Bid Mar. 25
*G. T. P. Ry. 3	1 Jan. 1962	99.25	100.25	2.98	99.75
Can. N. Ry. 3	1 May 1944	102.75	103.75	2.49	103.00
Can. N. Ry. 3	15 Dec. '45-50	98.00	99.00	3.08	98.00
Can. N. Ry. 3	15 Feb. '48-53	97.00	98.00	3.15	97.00
*Can. N. Ry. 4½	1 Sept. 1951	112.75	113.75	3.36	113.25
*Can. N. Ry. 4½	1 Feb. 1956	113.00	114.00	3.52	113.50
†Can. N. Ry. 4½	1 July 1957	111.00	112.00	3.68	111.25
*Can. N. Ry. 4¾	15 June 1955	115.50	116.50	3.57	115.75
Can. N. Ry. 5	1 Feb. 1954	115.00	116.00	3.77	116.00
*Can. N. Ry. 5	1 July 1969	116.00	117.00	3.18▲	116.25
*Can. N. Ry. 5	1 Oct. 1969	117.50	118.50	3.56▲	118.00
*M. Harb. C. 5	1 Nov. 1969	117.75	118.75	3.57▲	118.25

Provincial Government Bonds

		Bid	Asked	Yield	Bid Mar. 25
Eastern—					
N. Bruns. .. 4	1 Sept. 1954	103.50	104.50	3.67	103.75
†N. Bruns. .. 4½	15 Apr. 1961	109.00	110.00	3.88	109.00
†N. Bruns. .. 5	15 Jan. 1960	114.00	115.00	4.02	114.25
N. Scotia .. 3	2 Sept. 1945	99.00	100.00	3.00	99.00
N. Scotia .. 4½	15 May 1943	108.00	109.00	3.08	108.00
†N. Scotia .. 4½	15 Sept. '47-52	109.25	110.25	3.47▲	109.50
†N. Scotia .. 5	1 Mar. 1960	115.25	116.25	3.94	115.75
*Ontario 4	1 June 1962	105.00	106.50	3.61	106.00
*Ontario 4½	1 Sept. 1944	110.25	111.75	2.94	110.25
Ontario 4½	1 June 1950	108.25	109.75	3.63	109.00
*Ontario 4½	15 Jan. 1962	109.25	110.75	3.84	110.00
Ontario 5	15 Oct. 1948	112.50	113.50	3.68	112.50
*Ontario 5	2 Dec. 1960	116.50	117.50	3.90	117.00
Ontario 5½	1 July 1946	114.25	115.25	3.72	114.50
O. H. C. 3½-4-5	1 Oct. '33-52	101.25	102.25	4.27•	100.75
Ont. Hyd. C. 4¾	1 Jan. 1970	110.50	112.00	4.09	110.00
P. E. I. 3	1 Oct. 1945	99.00	100.00	3.00	99.00
Quebec 4	15 Mar. 1952	107.75	108.75	3.32	108.25
Quebec 4¼	1 Aug. 1958	110.00	111.00	3.53	110.50
Quebec 4½	2 Jan. 1963	112.75	113.75	3.69	113.00
Western—					
Alberta ... 4	15 Dec. '49-54	82.00	84.00	5.35	83.50
†Alberta ... 4	1 Dec. 1957	82.00	84.00	5.23	83.50
Alberta ... 4½	1 Oct. 1951	84.00	87.00	5.78	86.00
†Alberta ... 4½	1 Oct. 1956	83.00	85.00	5.76	84.50
†Alberta ... 5	1 Jan. 1948	83.00	86.00	6.72	86.00
Alberta ... 5	1 Sept. 1955	83.00	86.00	6.25	85.50
*Alberta ... 5	1 Oct. 1959	84.00	86.00	6.13	86.00
†Alberta ... 5½	1 Jan. 1947	87.00	90.00	6.80	89.50
Alberta ... 6	1 Mar. 1947	87.50	89.50	7.41	89.50
†Brit. Col. .. 4	1 Dec. 1957	91.00	93.50	4.47	93.00
*Brit. Col. .. 4½	15 Jan. 1951	95.00	97.00	4.78	96.00
†Brit. Col. .. 4½	1 Oct. 1953	95.00	97.00	4.75	95.50
†Brit. Col. .. 5	15 Jan. 1948	96.00	98.00	5.22	98.00
Brit. Col. .. 5	1 Sept. 1953	96.50	98.00	5.17	97.50
Brit. Col. .. 5½	1 Feb. 1945	98.00	99.50	5.57	99.50
Brit. Col. .. 6	15 Feb. 1947	98.50	100.00	6.00	101.00
Manitoba .. 4	2 Jan. 1950	97.00	99.00	4.09	98.00
†Manitoba .. 4	1 Dec. 1957	98.00	99.00	4.07	98.50
†Manitoba .. 4½	15 Dec. 1956	103.00	104.00	4.21	103.00
†Manitoba .. 5	15 June 1954	106.00	108.00	4.38	107.00
*Manitoba .. 5	2 Dec. 1959	106.50	108.50	4.42	108.50
Manitoba .. 5½	1 Oct. 1955	106.50	108.00	4.86	107.50
Manitoba .. 6	1 Apr. 1947	107.50	109.00	4.93	108.50
Sask. 4	15 Aug. 1953	87.50	89.00	4.95	88.50
Sask. 4	1 Nov. '55-60	87.00	88.00	4.79	88.50
*Sask. 4½	2 July 1945	97.00	99.00	4.62	98.00
†Sask. 4½	1 Oct. 1951	95.00	96.00	4.87	96.00
†Sask. 4½	15 Mar. 1960	94.00	95.00	4.85	94.00
Sask. 5	1 Aug. 1958	97.00	99.00	5.08	98.00
†Sask. 5½	15 Nov. 1946	99.50	101.50	5.32	101.00
Sask. 5½	1 Oct. 1952	99.50	101.50	5.38	101.00
Sask. 6	15 Mar. 1952	104.00	105.50	5.47	105.00

Municipal Bonds

		Bid	Asked	Yield	Bid Mar. 25
†Calgary ... 5½	2 June 1944	....	87.00	7.67	....
†Edmonton . 5½	1 Nov. 1945	87.00	90.00	6.94	87.00
†Halifax 5	1 July 1961	112.00	114.00	4.11	112.00
Hamilton .. 5	1 May 1950	107.75	110.75	4.00	107.75
Montreal .. 5	1 Mar. 1945	106.25	108.25	3.95	106.25
Ottawa 4½	1 July 1945	108.50	111.00	3.15	108.50
†Quebec 5	1 June 1959	109.50	111.50	4.22	109.50
Regina 5	1 July 1944	83.00	87.00	7.11	83.00
St. John ... 5	15 Dec. 1950	107.50	109.50	4.14	107.50
†Toronto ... 4½	1 Jan. 1955	109.00	111.50	3.65	109.00
Vancouver . 5	1 June 1969	88.00	92.00	5.53	88.00
Victoria ... 5	21 July 1945	95.00	98.00	5.27	95.00
Winnipeg 5	1 Mar. 1944	105.00	107.00	3.97	105.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Mining Stock Quotations

WEEK ENDING MARCH 30, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close Mar. 23 (or last)	High for week	Low for week	Close Mar. 30
1	.70	.54	Afton	70,900	.60	.64	.59	.60
No	.16	.07	Aldermac	76,100	.12	.12	.10½	.11
1	.03¾	.01½	Alexandria	35,800	.02¼	.02¼	.02	.02
No	.10½	.03¾	Algoma	28,200	.08	.08¾	.07¾	.07¾
No	4.95	4.10	Anglo-Huronian	319	4.50	4.60	4.60	4.60
No	.08	.02	Arno	2,200	.05	.04⅞	.04¼	.04⅞
1	.97	.70	Arntfield	2,700	.75	.75	.70	.70
1	.25	.12	Ashley	3,700	.15	.15	.13½	.14
1	.06½	.02¾	Astoria Rouyn	16,000	.04½	.04¾	.04	.04½
1	.11¾	.05½	Bagamac	50,400	.08¼	.08½	.07	.08
1	.07	.03½	Barry Hollinger	297,400	.03¾	.06	.03½	.05¾
1	.40	.21	Base Metals	8,660	.23½	.23	.21	.22
1	.50	.28	B.E.A.R.	28,500	.30	.40	.28	.36
No	1.84	1.30	Beattie Gold	8,450	1.40	1.45	1.38	1.40
1	.45	.30	Beaufor Gold	11,500	.35	.35	.30	.31
1	.76	.60	Big Missouri	35,802	.62	.65	.60	.63
1	.24	.14¾	Bobjo	27,340	.15½	.16	.15	.15
No	7.55	5.55	Bralorne	8,201	7.25	7.55	7.10	7.40
1	.40	.20	Brazil Gold	2,700	.22	.27	.22	.27
1	.04⅞	.02	Brett Trethewey	7,800	.03½	.03½	.02¾	.03½
50c.	.25½	.09	B.R.X. Gold	74,450	.24	.25½	.15	.17
1	6.50	3.80	Buffalo Ankerite	2,276	5.00	4.90	4.70	4.75
No	.09¾	.02	Buffalo Can.	128,050	.09½	.09¾	.08	.08¾
5	37.00	31.50	Bulolo Gold	50	33.00	32.50	32.50	32.50
No	.18	.06	Bunker Hill	64,020	.12½	.14	.11	.13
No	1.45	.95½	Can. Malartic	11,687	1.12	1.14	1.08	1.08

[illegible]

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)
March 31, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Mar. 31	Asked	Bid Mar. 24
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois ..	5½	'73	81½	84½	81
Beauharnois ..	5	'73	27	30	25
*Bell T'phone ..	5	'55	114½	117½	114½
*Do.	5	'57	118½	121½	118½
†B. C. Power ..	5	'60	103	106	104
†Do.	5½	'60	104½	107½	105
†B. C. T'phone .	5	'60	105½	108½	106½
†Calgary Pwr. ..	5	'60	101	104	101
Do.	5	'64	98½	101½	98
†Can. Nor. Pr. .	5	'53	102½	105½	102½
Dom. Gas	6½	'45	89½	92½	91½
§Duke-Price Pr.	6	'66	105	107	105
*Gatineau Pwr..	5	'56	97½	100	98
*Do., A	6	'41	88½	91½	89
*Do., B	6	'41	86½	89½	87
*Int'l. Hydro ..	6	'44	56	59	52½
†Maclaren-Que..	5½	'61	84½	87½	86
Do.	5½	'64	82½	85½	83½
*Manitoba Pwr.	5½	'51	81½	84½	82½
†Mtl. Island Pr..	5½	'57	103½	106½	103½
†Montreal Pr. ..	3½	'56	100	103	100
†Montr'l. Tram..	5	'55	86	89	87½
†Do.	5	'41	103½	106½	104½
Nat'l. L. & P...	6	'49	96½	99½	97
†N.S. L. & Pr...	5	'58	104	107	104½
†Ottawa Light .	5	'57	105	108	105½
†Ottawa Val. Pr.	5½	'70	79	82	80
†Power Corp. ..	4½	'50	93½	96½	94½
*Quebec Pwr. ..	5	'68	104	107	105
†Shawinigan ...	4½	'70	104	107	104
†Do.	5	'70	...	...	107
†S. Canada Pr..	5	'55	...	...	105
†United Secs. ..	5½	'52	84½	87½	83
†W. Koot. Pwr..	5	'56	105	107	105
†Western Pwr. .	5	'49	105	108	105
§Winnipeg Elec.	6	'54	82½	85½	83½
Industrial and Realty Issues:					
Abitibi Pwr. ..	5	'53	46½	49½	47
†Acadia Sugar..	4½	'55	99	102	100
†Alta. P. Grain.	6	'46	97	100	98½
‡Asbestos Corp..	5	'42	100	...	100
B. A. Oil	4	'45	102½	105	102½
Can. Biscuit ..	6½	'46	24½	27½	23
Canada Bread .	6	'41	108	111	108½
†Can. Cement ..	5½	'47	105	108	105
Can. Paper ...	6	'45	102½	...	102½
‡Can. Ss. Lines.	5	'43	102½	...	102½
Do.	6	'41	58½	61½	57½
C. P. R.	4½	'44	101	104	101½
Do.	4	'49	103½	106½	105½
Do.	3½	'51	95	58	97½
Can. Rail & H.	6½	'51	50½	53½	51
†Can. Vickers ..	6	'47	91	94	92
Cons. Paper ..	5½	'61	33½	36½	34½
†Dominion Tar .	6	'49	102½	105	102½
†Donnacona P..	5½	'48	79	82	79
†East. Dairies ..	6	'49	87	90	87
†Fam. Players .	6	'48	102½	105	102½
†Do.	6½	'48	101	104	101
†Federal Grain .	6	'49	97½	100½	99
Fraser Cos.* ..	6	'50	110	113	110
†G. Steel Wares	6	'52	100½	103½	101
Gt. Lakes Pap.	6	'50	54½	57½	48
†Gypsum, Lime.	5½	'48	94½	97½	94
Ham. Cottons.	5½	'48	102	...	102
*Hinde & Dauch	5½	'48	102½	...	102
Inter City Bak.	5½	'48	103	...	103
Kingston Elev.	6	'50	95	98	95
Lake St. John P. & Pa.	6½	'47	91½	94½	90½
London Rlty. .	6	'50	93	...	93
†Massey-Harris.	5	'47	89	92	89
McColl-Front. .	6	'49	104½	107	104½
†Mercury Mills.	5½	'53	69	72	67
Met. Building .	7	'44	100	...	...
M. & O. Paper	6	'45	33½	36½	34½
Mtl. Dry Docks	6	'48	84	87	82
N. Ont. Bldg. .	6	'39	97½	...	...
Ontario Bldg..	6½	'43	34½	37½	34
Price Bros. bds.	6	'43	...	115	114½
*Prov. Paper ...	5½	'47	102	105	102
Queen's Hotel.	6	'47	91	94	91
*Reliance Gr. ..	6	'48	102½	105	102½
Rich. B. Bldg.	6	'47	97½	...	...
‡Riordon Pulp .	6	'42	104½	...	104½
Ritchie Cut Stone	6½	'48	95	...	...
†Rolland Paper.	5½	'48	104	107	104
Ruddy & Co...	6½	'48	98½	101½	98½
†Simpsons Ltd. .	6	'49	104½	107	104½
Do.	5½	'49	102½	...	102½
†Smith, How'd..	5½	'53	104½	107½	104½
‡Steel of Can. ..	6	'40	112½	...	112½
Stop & Shop ..	6	'47	...	62	59
Toronto Carpet	6	'44	103	...	...
United Corpns.	5	'53	94	97	94½
United Grain ..	5	'48	97½	100½	98
Do.	5½	'49	102	105	102
Zimmerknit ..	6	'51	96	...	96

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. •Unstamped

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

March 31, 1936

Industrial Stocks:	Bid	Asked
Acadia Sugar, c.	4.00	...
Do., pfd.	...	5.10
Acme Farmers Dairy, pfd.	37.25	40.00
Algoma Steel, new, com.	50.00	55.00
Do., pfd.	61.00	66.00
Andian National	47.00	48.25
Assoc. Tel. & Tel., pfd.	46.50	48.00
B. C. Pulp & Paper, com.	1.00	1.50
Do., pfd.	8.00	11.00
Burns & Co., A	11.50	13.00
Do., B	5.50	6.75
Canada Starch, pfd.	92.00	94.00
Canada Tea, pfd.	36.00	...
Can. Tube, 1st pfd.	47.00	...
Can. Wire & Cable, pfd.	99.00	101.00
Can. Industries, A, com.	218.00	...
Do., B, com.	218.00	225.00
Do., pfd.	159.50	162.00
Can. Ingersoll Rand	120.00	125.00
Can. P. & P. Inv., pfd.	6.00	...
Can. Westinghouse	62.50	64.50
Chase, A. W., pfd. bonus	25.00	28.00
Conduits Nat., new, com.	2.25	2.75
Dom. Found. & St., c. (new)	36.00	39.00
Do., pfd. (new)	88.00	91.00
Dom. Rubber, pref.	99.00	101.00
Dunlop Tire, pfd.	64.00	67.50
Edm. City Dairy, pfd.	60.50	...
Federal Grain, com.	3.25	4.25
Do., pfd.	59.00	62.00
Goderich Elevator	7.50	8.25
Greening Wire, pfd.	104.00	106.50
Guelph Carpet, pfd.	104.00	106.00
Do., com.	16.00	17.50
Highland Dairy, com.	2.60	3.10
Do., pfd.	80.00	...
McLaren Power, com.	10.25	12.00
Morrow Screw, pfd.	93.50	...
New Meth. Laund. p. bon.	78.00	81.00
Provincial Paper, pfd.	101.50	103.00
Reliance Grain, pfd.	87.00	89.50
Rob. Cons. Cone	8.75	9.50
Ruddy, E. L., pfd.	40.50	...
Std. Fuel, pfd. bonus	105.75	107.00
Supertest Pet., B, pfd.	27.75	29.00
Toronto Carpet, com.	30.00	...
Do., pfd.	37.50	...
United Steel, A, pfd.	5.50	6.00
West. Grain, pfd. bonus	19.00	21.00
Western Grocers, pfd.	109.00	110.50
Trust & Loan Stocks:		
Chartered Trust	78.00	82.50
Guelph Ont. Inv. Sav.	46.75	50.00
London & West. Trust	51.00	...
Sterling Trust	36.00	...
Traders Fin. B, pfd.	71.00	80.00
Trusts & Guarantee	40.00	41.50
Insurance Stocks:		
British America	38.25	42.00
Canada Life	525.00	535.00
Canadian Fire	75.00	82.00
Can. Ins. Shares, c. X.D.	12.50	15.00
Confed. Life, 20% pd.	116.00	121.00
Cont. Life, 20% pd.	36.50	40.00
Crown Life	105.00%	...
Dominion Fire	115.00	...
Dominion Life, 50% pd.	261.00	300.00
Dom. of Can. Gen.	110.00	...
Empire Life, 25% pd.	7.50	8.50
Excelsior Life, 30% pd.	69.00	72.00
Federal Fire, 25% pd.	40.00	...
Fidelity of Can.	46.50	51.00
Great West Life	388.00	395.00
Guar. of N. A. fully pd.	250.00	...
Halifax Fire	21.50	22.75
Imperial Life	320.00	...
Manufacturers Life	266.00	274.00
Monarch Life, 10% pd.	18.75	20.50
National Life, 25% pd.	45.00	51.00
Sovereign Life, 25% pd.	19.00	21.50
Sun Life	545.00	559.00
Toronto General	4.85	5.50
Western Assur., com.	40.00	...
Do., pfd.	39.00	42.50
Theatre Stocks:		
Allens Beach, pfd.	57.00	60.00
Do., Calgary, com.	6.00	7.00
Do., Kingston, pfd.	55.00	...
Do., Parkdale, pfd.	45.00	49.00
Do., Toronto, pfd. bon., c.	28.00	32.00
East. Theatres, com.	4.00	5.75
Do., pfd.	76.00	80.00
Loew's London, pfd.	2.00	2.75
Do., Toronto, pfd.	110.00	115.00
Mansfield Theatre, pfd.	30.00	...
Para. Kitchener, pfd.	37.00	...
Do., Oshawa, pfd.	68.00	...
United Amusement, A	16.50	17.50
Do., B	15.00	15.75
Investment Trust Shares		
Can. Gen. Invest.	7.90	8.20
Can. Investors	7.65	8.15
Can. Int. Inv. Tr. Units	68.00	...
Cons. Div. Std. Sec. Units	12.25	13.50
Debenture & Sec., pfd.	49.50	...
Dom. Scott. Inv. Units	29.50	32.00
For. Power Sec., pfd.	12.00	13.50
Invest. Foundation Units	51.50	54.00
Sec. Holding Units	21.00	23.00
United Corpns., A	23.00	24.00
Do., B	9.55	...
Power Issues:		
Calgary Power, pfd.	84.00	88.00
Can. Public Ser., pfd.	22.00	26.00
Can. West. Nat. Gas, pfd.	97.00	99.25
Do., com.	28.00	...
Great Lakes Pwr., pfd.	90.00	95.00
Inter. Util. 7.00, pfd.	81.50	...
Nor. Ont. Power, pfd.	99.75	101.50
Nova Scotia L&P, pfd.	101.50	103.50

Unlisted Mines

March 31, 1936

	Bid	Asked
Albany River	.30	.32
Ardeen	.17	.20
Argosy	.90	.95
Athona (Gt. B. L.)	.42	.44
Athabaska Portal	.20	.22
Bailor	.02¾	.03¼
Bidgood Kirkland	1.05	1.08
Bankfield Gold	.38	.41
Big Master	.31½	.33½
Bosquet Gold	.11½	.12½
Can. Pandora	.05	.06
Can. Kirkland	.03¼	.04
Capital Rouyn, new	.18	.20
Casey Contact	.03	.04
Canusa Mining	.20	.22
Central Porcupine	.16	.18
Chromium	1.95	2.05
Condor	.09	.09½
Cons. Chib.	1.95	2.05
Corless Patricia	.30	.35
Cuniptau	.22	.24
Dunlop, new	.09	.11
Dorval Siscoe Gold	.15	.18
El Bonanza	.07	.09
East Malartic	.34	.36
Glenora Gold	.16	.18
Galatea	.04	.06
Gilbec	.08	.08½
Gold Eagle	.23	.25
Goldside	.10	.11
Greenlaw	.04½	.05½
Horseshoe	.03½	.04½
Hudson Patricia	.15½	.17
Jellicoe	.05	.06½
Johnson Nipigon	.04	.04¾
Jowsey	.25	.28
Kaw Crow	.24	.27
Keora Mines	.05½	.06½
Kirk. Gold Belt	.10	.12
Lafayette L. Lac	.02½	.03
Long Lac Lagoon	.03	.04
Lamaque Gold	3.25	3.35
Leitch Gold	.43	.46
Madsen Red L.	.32	.34
MacL. Cockshutt	.17	.19
Magnet Lake	.04½	.05½
Matachewan Can.	.15	.17
McCarthy Webb	.14½	.15½
Mosher	.04	.05
Moffatt Hall	.11	.11½
Moffatt Hall (new)	.37	.39
North Shores	.02	.03
Norlake	.40	.42
Oklend	.23	.25
O'Leary	.10	.12
Opemiska Copper	1.52	1.58
Opemiska Mines	.15	.16
Oriole	.10	.11
Pascalis	..	.23
Proprietary M.	.37	.40
Phoenix	..	.40
Rice Lake	.05	.07
Shawkey	.71	.74
Sladen	.32	.34
Slave Lake	.45	.50
Smelter Gold	.06	.07
South Keora	.09	.10
Springer	.08	.09
Straw L. Beach	.11	.13
Sturgeon R. Gold	.45	.50
Thompson Cadillac (new)	.21	.23
Wells Long Lac	.05	.07
Wingold	.08	.10
Wendigo	.15	.17
Young Davidson	.24	.26

Investment Trusts

Trans-Canada	11.85	12.60
All Can. Com. Trustee Shs.	11.60	12.10
Can. Int. Trustee	5.25	5.75
Grouped Income	5.87	6.40
Can. Invest. Fund	4.20	4.50
Can. Amer. Trust	4.85	5.15
Can. Equity Shares	12.00	...

Listed Bonds

Week Ended March 30, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	51	50
McNish	6	'48	3.15	...	3.75	3.00
Unlisted—						
Can. S. S.	6	'41	60	...	60	...

Winnipeg Stocks

(Transactions from Mar. 23 to Mar. 28)

	Sales	High for period	Low for period	Close Mar. 28
Bailor Gold	5,000	.02	.02	.02
Cons. Goldfields	2,000	.08	.07	.07
Dom. Envel. pf.	20	90	90	90
Flin Flon	400	.30	.29	.29½
Gold Lake	2,100	.44½	.43	.43
Knee Lake	12,600	.04½	.03½	.04
Kingfisher	2,000	.01½	.01½	.01½
Gt. West Life	4	390	390	390
Home Invest.	32	25	25	25
Island Lake	2,000	.04	.03	.04
Gurney Gold	1,000	.43	.42	.42
North. Trust	150	8½	7	8½
Ore Grande	15,300	.10	.07	.10
Optic Lake	265	1.60	1.50	1.50
Oxford Mines	200	.25	.25	.25
Sovereign Life	10	17	17	17
Rice Lake	2,500	.07	.05	.05
Rice L. Syn.	45	4	4	4
Packsack	300	.26	.25	.26
United Grain	17	13	13	13
Wingold	8,000	.10	.09	.09
Wylie Dom.	4,400	.34	.32½	.34
Vanson Man.	1,400	.03½	.03	.03
West. Brew.	20	2.10	2.10	2.10

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	125	..
City Dairy, A	..	8
Comm. Securities	..	10
Home Invest.	25	..
Pelissiers	..	[illegible]
Do., pref.	50	..
Traders Bldg.	71	..
West. Steel, pf.	6	..

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close Mar. 30	Yield %
Anglo-Huronian	20c	4.60	..
Bralorne	10+5c	7.40	..
Buff. Ankerite	20c	4.75	4.2
Bulolo Gold	2.60	32.50	8
Cariboo	10c	1.28	7.8
Coniagas†	12½c	2.90	..
Cons. Smelters	$2.50+$4	281.00	..
Dome Mines	$2+$2	44.00	9.1*
Falconbridge	30c	8.80	3.4
Hollinger	65c+25c	14.62	6.2*
Howey Gold	5c	.56	..
Hudson Bay	$1	26.12	..
Int. Coal & Coke‡	1c	.19	..
Inter. Mining	60+5	12.12	5.4*
Int. Nickel, c.	$1	48.00	2.1
Kirk. Lake‡	3c	.48	..
Lake Shore	$2+$2	53.62	7.4*
Macassa	15c	3.75	..
McGill Coal Cr.	1c	.17	5
McIntyre	$2	40.00	..
McKinley Sec.	5c	.56	..
McWatters Gold†	3c	1.33	..
Nipissing	25c	2.60	..
Nor. Can. Mining	2c	.37	..
Noranda	$2	51.25	3.9
Pickle Crow†	5c	6.10	..
Premier	12c+1c	2.30	5.6*
Pioneer, B.C.	80c	10.00	8
Reno	12c+2c	1.12	12.5*
San Antonio	21c	2.60	8.0
Siscoe	20c+1c	3.06	6.8*
So. Amer. Gold	30c	6.25	4.8
Sunshine	50c	21.00	..
Sylvanite	20c	2.42	8.3
Teck-Hughes	40c	4.50	8.9
Toburn	8c	1.44	5.5
Wright-Har.	40c+20c	7.65	7.8*
Ymir Yankee†	2c	.44	..

‡Interim. †Initial. *Yield includes bonus.

B.A. Relieved City to Allow Oil Drilling

Toronto Man Inspects New Field in Oklahoma City

SEES 10-YEAR LIFE

British American Oil Co. will not be delayed by complications arising out of civic objections made to drilling within restricted portions of Oklahoma City's residential area. A referendum of citizens has just resulted in favor of allowing drilling in an extended area of the city, which includes B. A. oil leases.

The matter became news when five workers and three officers of the K. & L. Oil Co. were arrested on charges of violating a city ordinance by clearing a foundation for an oil derrick within the city blocks of the State Capitol building. The well site, far inside the city's restricted zone, is staked on private property. The company represented that if work were not started before April 1, the lease would expire automatically. They had to protect the lease. It therefore applied for a federal injunction against the city interfering with operations. No such threat has attached itself to a B. A. Oil operation, The Financial Post understands.

Inspects Drilling on Spot

An interesting view of the B. A. Oil property was secured by Seymour Trent of Hambly, Peaker & Trent, members of the Toronto Stock Exchange. He made a special trip to Oklahoma City to form a conclusion as to the potentialities of this field. To The Financial Post Mr. Trent said he considers this area places British American Oil in a better position than it has ever been. He believes this field being drilled by British American Oil should have a ten years' life at least.

New Well Reported

Mr. Trent also calculates from recent annual statements that the company has made from 20 to 30 cents a share profit out of United States operations irrespective of these new Oklahoma City operations. He feels 1935 has been equally as good, if not better, because he ascertained that the company drilled more than 20 new wells in the East Texas field during 1935.

Delve Into Capital Of Quebec Utilities

From Our Own Correspondent

MONTREAL.—Enquiry into the capitalization of Southern Canada Power Co. along the lines demanded by the City Council of St. Hyacinthe, and into that of all electricity utility companies of the province, has been started by the Quebec Electricity Commission.

The enquiry asks extension throughout the City of St. Hyacinthe of the lowest rates which the company grants in any one part of the municipality; and adoption of a general ruling by which consumers of all municipalities in the area enjoy the same uniform rate.

Municipal Finances

Barrie, Ont., has struck its 1936 tax rate at 50 mills, the same as in 1935. Total assessment for 1936 is $4,779,279, compared with $4,762,851 in 1935.

* * *

Carleton County, Ont., during 1936 will reduce its debenture debt by $178,755, the county's annual financial statement indicates. During 1935, the county redeemed $188,593 of debentures, reducing its funded debt to $1,704,017. Debentures still to be issued total $32,173. A deficit of $2,567 was shown in 1935.

* * *

Stratford, Ont., reports a deficit of $24,043 in 1935. Relief costs last year totalled $259,532, of which the city's share was $108,323. Through issue of debentures, $50,000 of relief costs has been funded.

* * *

Ottawa may be reimbursed by the Ontario government for $223,991 of relief costs which have been in dispute. This leaves $610,000 of 1935 relief costs to be fnuded. In addition, the city is seeking authorization to issue $786,000 of debentures to finance capital expenditures. As at Dec. 31 last, the city had a net debenture debt of $18.8 millions.

* * *

Sarnia, Ont., has struck the 1936 tax rate at 39.75 mills for public school supporters and 42.607 mills for separate school supporters. This compares with 40 mills and 41,288 mills respectively in 1935. Expenditure for the year is estimated at $943,752.

* * *

Lachine, Que., reports a surplus of $25,687 on 1935 operations. Revenue amounted to $778,300 and expenditure to $752,613.

* * *

Whitby, Ont., reduced its debenture debt by $37,423 in 1935. While bank loans were reduced during the year from $87,800 to $59,500, the town's current position showed little improvement since the county rate of $25,870 was outstanding. Total collections from all sources in 1935 were equivalent to 96.98 per cent of the tax roll and collections of 1935 taxes to 79.29 per cent. Tax arrears at Dec. 31, 1935, amounted to 58.59 per cent of the levy. Auditors have suggested that a reserve be set up against tax arrears.

Chatham, Ont., has a tax rate for 1936 of 34 mills, the same as in 1935. The total amount to be raised by the levy will be $472,987. Assessment for general purposes is $14,246,365.

* * *

Sherbrooke, Que., reduced its net debenture debt by $87,626 in 1935 to $4,269,514. During 1935 tax arrears were reduced by $40,000 to $288,000.

* * *

Mount Royal, Que., reports improvement in its financial position in 1935, surplus for the year amounting to $11,687 as compared with $1,820 in 1934. Total revenue amounted to $258,224 and expenditures to $245,387.

* * *

St. Boniface, Man., hopes for a substantial reduction in its tax rate in 1936. The budget committee acting with W. C. McKinnell supervisor, has recommended a reduction of 3 mills while the city council seeks a reduction of 3½ mills. The rate in 1935 was 65½ mills.

* * *

St. Thomas, Ont., reports satisfactory progress in 1935, the surplus in current account being $38,815. Total tax collections amounted to 102 per cent of the levy and collections of 1935 levy to 82 per cent. Debenture debt at the end of 1935 was $1.3 millions and floating debt $317,228.

* * *

North Battleford, Sask., had a deficit on general account of $18,119 in 1935. This was more than offset by profits of $19,899 on public utilities. Net debenture debt is $492,954.

* * *

Nelson, B.C., reports a surplus of $27,036. Collections of current taxes amounted to $93,396 or 81 per cent of the levy. Net debenture debt is $784,993. Profits were shown by the waterworks, electric light and gas departments while the street railway operated at a loss.

* * *

Edmonton sinking fund holds $1,408,603 par value of bonds in default either in principal or interest, of which amount $758,347 is past due. In addition, there is past due interest of $166,600.

* * *

Notre Dame de la Dore, Que., is paying interest on its bonds to June 20, 1934.

* * *

Municipal Borrowings: Bills have been introduced in the respective provincial legislatures to authorize the following municipal borrowings: Kentville, N.S., $3,000; Dartmouth, N.S., $3,500; County of Cape Breton, N.S., $13,000; County of Kings, N.S., $30,000; New Waterford, N.S., $36,500; North Sydney, N.S., $20,000; Dominion, N.S., $25,000; Inverness, N.S., $30,000; Springhill, N.S., $14,000, Portage la Prairie, Man., $50,000.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

Capital Wanted

FIRM OF CHARTERED ACCOUNTANTS has client requiring comparatively small initial investment for development of a deposit of a mineral used in industry, with large market in United States. Full information will be provided. All correspondence confidential. Box 302, The Financial Post, Toronto.

DIVIDEND NOTICES

Canadian Pacific Railway Company

NOTICE TO SHAREHOLDERS

The Fifty-fifth Annual General Meeting of the Shareholders of this Company, for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the sixth day of May next, at the principal office of the Company, at Montreal, at Twelve o'clock noon.

SPECIAL MEETING

The meeting will be made special for the purpose of considering and, if approved, of authorizing the issue of $65,000,000 of Ordinary Capital Stock, in such amounts, on such terms, and at such times as the Directors shall from time to time decide.

The Ordinary Stock Transfer Books will be closed in Montreal, New York and London at 3 p.m. on Tuesday, the fourteenth day of April. The Preference Stock Books will be closed in London at the same time.

All books will be reopened on Thursday, the seventh day of May.

By order of the Board,

F. BRAMLEY,
Secretary.

Montreal, March 9, 1936.

DIVIDEND NOTICES

McWATTERS GOLD MINES

Limited

DIVIDEND NO. 2

NOTICE IS HEREBY GIVEN that a dividend of Five Cents (5c.) per share on the issued Capital Stock of the Company has been declared payable April 25th, 1936, to shareholders of record at the close of business April 15th, 1936.

By Order of the Board,

C. F. TUER,
Secretary-Treasurer.

Haileybury, Ontario, March 30th, 1936.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 278

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 21st day of April, 1936, to shareholders of record at the close of business on the 6th day of April, 1936.

Dated the 30th day of March, 1936.

I. McIVOR,
Assistant-Treasurer.

Chartered Trust and Executor Company

Dividend Notice

Notice is hereby given that a dividend of 1% has been declared payable on the first day of April, 1936, to shareholders of record at the close of business, March 28, 1936.

By Order of the Board,

E. W. McNEILL,
Secretary.

Week in Wheat

Moisture Over Kansas Sends Markets Lower

Small Overseas Sales from Winnipeg Help Stabilize Prices But Crop Reports from United States Major Factor

From Our Own Correspondent

WINNIPEG.—All wheat markets were sharply lower early in the week as the result of snow and prospects of rain over Kansas and Nebraska. Chicago's break of nearly three cents was reflected in a break of little over one cent in Winnipeg.

Resistance was established by the fact that nearly one million bushels had been sold for export over night. Purchases against this were met by corresponding offers from the wheat board, but after these transactions were concluded there was comparatively little pressure on the market. That is partly due to the fact that a very small proportion of Canadian wheat is being carried by interests other than the wheat board.

New Speculators

Some of the activity in the wheat market of a few months ago is now attributed to inflation hedge buying by wealthy easterners. People not usually interested in the wheat market made purchases during the last six months, it is declared, first as a protection against possible U. S. inflation and later on because of the complicated European political situation. Buying orders came chiefly from the East, and now, it is said, the tendency prevails to clean up commitments. Further liquidation of such orders is expected, and as a result a further narrowing between May and July wheat may take place.

* * *

U. S. Crops

Very mixed reports continue to be received as to condition of United States winter wheat. Winter killing was undoubtedly extensive, and much of the crop which was not killed is in poor shape and will need highly favorable weather to give a good account of itself. On the other hand, a good deal of the country which suffered from drought last year gives promise of fairly good production. Last autumn it was believed considerable damage might be experienced this year from Hessian Fly, but while some reports indicate that crops are affected, the damage done looks to be less extensive than was earlier feared.

* * *

Move Stocks East

Wheat is being moved forward in considerable quantities from country elevators to the Head of the Lakes. This is anticipation of hopes of heavy sales when navigation opens. Even if these fail to materialize, it is believed exporters will move wheat forward to eastern positions in considerable volume, so as to be ready for any sudden spurt in demand. There will be particular anxiety to be in a good position to fill United States orders for higher grades. There are only a few months left in which such business can be expected. After the end of July, United States mills will probably be able to get all the hard wheat required from new domestic crops.

Dullness Persists

Dullness has continued in the wheat market, although considerable quantities continue to be sold by the Wheat Board, and exporters are making freight booking for some months ahead. But the total volume of business continues to be somewhat disappointing. The gradually declining figures for the Canadian visible stock make some impression on sentiment. But the effect tends to be offset by the realization that in spite of everything Canada still faces a possibility of a considerable carry-over at the end of the year.

Dividends Declared

	This payment	Date payable	Date of record
Bonded Corp. ...	10c	Apr. 1	Mar. 26
B. C. Tele., pfd. ..	$1.50	Apr. 1	Mar. 17
Brockville Trust .	62½c	Apr. 1	Mar. 20
Bralorne Mines ...	10c	Apr. 15	Mar. 31
Do., extra	5c	Apr. 15	Mar. 31
Bell Telephone ..	$1.50	Apr. 15	Mar. 23
B. C. Power	40c	Apr. 15	Mar. 31
Brantf'd Cord. 1st p.	50c	Apr. 15	Mar. 20
Brew. Corp., pfd.	37½c	Apr. 15	Mar. 31
Bruck S. Mills ...	30c	Apr. 15	Mar. 25
Can. Ins. Shares, c.	$1	Apr. 15	Apr. 1
Can. Fairbanks, pf.	$1.50	Apr. 15	Mar. 31
Can. Bronze	25c	May 1	Apr. 20
Do., pref.	$1.75	May 1	Apr. 20
Can. Bread, 1st pf.	$1.25	Apr. 1	Mar. 14
Can. North. Pr., c.	30c	Apr. 25	Mar. 31
Do., pf.	$1.75	Apr. 15	Mar. 31
Can. Indust. A & B	$1	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Chart. Trust	1%	Apr. 1	Mar. 28
Cosmos Imp.	20c	May 15	....
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf. ...	$3.50	June 30	June 16
Do. com.	50c	Apr. 15	Apr. 1
Cosmos Imp. p. new	$1.25	July 15	....
Can. Iron, pf.	$1.50	Apr. 30	Apr. 15
Dom. Textile, pref.	$1.75	Apr. 15	Mar. 31
Dome Mines	50c	Apr. 20	Mar. 31
East. Can. Sav. ...	$1.50	Apr. 1	Mar. 21
East. Twps. Tel. ..	18c	Apr. 15	Dec. 31
1st All Can. Tr. ord.	7½c	Apr. 15	Mar. 31
Guar. of N. Amer.	$1.50	Apr. 15	Mar. 31
Do., extra	$2.50	Apr. 15	Mar. 31
Gt. Lakes Pr., pf.	$1.75	Apr. 15	Mar. 31
Hollinger Gold ..	5c	Apr. 21	Apr. 6
Int. Milling, pf. ..	$1.25	Apr. 15	Apr. 4
Imperial Bank ...	$2.50	May 1	Mar. 31
Inv. Found., pfd. .	37c	Apr. 15	Mar. 31
Do., on arrears ..	63c	Apr. 15	Mar. 31
Int. Bronze Pd., p.	37½c	Apr. 15	Mar. 31
Do., com.	25c	Apr. 15	Mar. 31
Int. Nickel, pf. ...	$1.75	May 1	Apr. 1
Internat. util., pf.	$1.50	May 1	Apr. 20
Do., $3.50 pfd. ...	75c	May 1	Apr. 20
Kirk. Lake G. ...	3c	Apr. 30	Apr. 9
McColl-Fron., pf. .	$1.50	Apr. 15	Mar. 31
Mtl. L. H. & Pr. ..	37c	Apr. 30	Mar. 31
Mtl. Telegraph ...	80c	Apr. 15	Mar. 31
Mtl. Tramways ...	$2.25	Apr. 15	Apr. 3
McWatters G. Mines	5c	Apr. 25	Apr. 15
Nor. Ont. Power ..	75c	Apr. 25	Mar. 31
Do., pref.	$1.50	Apr. 25	Mar. 31
Nat. Biscuit, com.	40c	Apr. 15	Mar. 13
Neon P. of W. Can. pf.	$1.50	May 1	Apr. 15
Nova Scotia Tr., c.	$3.50	Apr. 15	Mar. 31
Nor. Can. Mining .	2c	May 1	Apr. 11
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Power Corp., pf. .	$1.50	Apr. 15	Mar. 31
Do., 2 pf.	75c	Apr. 15	Mar. 31
Premier Mines ...	3c	Apr. 15	Mar. 12
Do., extra	1c	Apr. 15	Mar. 12
South. Can. Pwr., c.	20c	May 15	Apr. 20
Do., pf.	$1.50	Apr. 15	Mar. 20
Steel of Can.	43¾c	May 1	Apr. 7
Do., pref.	43¾c	May 1	Apr. 7
Smith, H. Pap., pf.	§$2	Apr. 10	Mar. 31
Std. Silver & Lead	1c	Apr. 25	Mar. 31
Toronto Elev., pf.	$1.75	Apr. 15	Apr. 1
Toburn Gold	2c	May 21	Apr. 21
Tuckett Tob., pf.	$1.75	Apr. 15	Mar. 31
Un. Bond & Sh. ..	10c	Apr. 15	Mar. 27
Un. Gold Equit. ..	3c	Apr. 15	Apr. 6
Unit. Secs.	50c	Apr. 15	Mar. 26
West. Grocers, c. .	50c	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20
Westminster Paper	20c	May 1	....

§Plus one-eighth share of preferred stock plus one share of common stock, all payable in settlement of arrears.

MOVE TORONTO OFFICES

English Electric Co. of Canada has moved its Ontario district office to 50 King St. East, Toronto, from 330 Bay St. The new ground floor quarters will be used to display the company's consumer products, particularly the "Barlux Tubelites."

DIVIDEND NOTICES

DIVIDEND NOTICE

Northern Canada Mining Corporation, Limited

Notice is hereby given that an interim dividend of Two Cents (.02c.) per share on the outstanding capital stock of the Corporation has been declared by the Directors of the Corporation, payable May 1st, 1936, to shareholders of record at the close of business on April 11th, 1936. The Canadian five per cent (5%) tax will be deducted from dividends paid to non-residents.

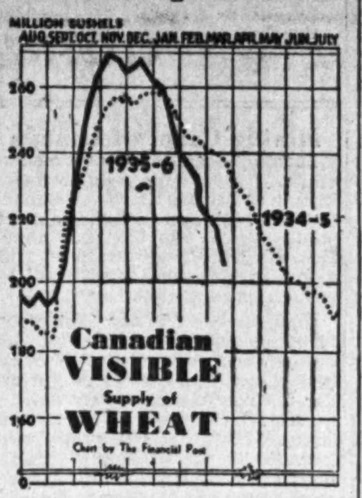
Shareholders are particularly requested to see that certificates held by them are properly registered on the books of the Corporation. As mentioned above, the dividend is payable to shareholders of record on April 11th, 1936. Our transfer agents are The Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Ontario.

By Order of the Board,

H. F. CASSIDY,
Secretary.

Toronto, 1st April, 1936.

Slowing Down



Canadian supplies of wheat in marketable positions declined only about three million bushels last week. As country deliveries are now drying up and as some farm withdrawals for seed purposes in the next few weeks are expected the movement of wheat out of Canadian visible, it is believed, will be accelerated in the next month or two. Details bushels are as follows:

Canadian Visible

Week of March 27	Week previous	Last year
209,264,000	212,258,000	231,248,000
Export Clearances‡		
3,384,534	2,798,181	2,604,278

‡Plus U. S. imports

Reach Agreement On Flour Freights

Satisfactory arrangements, it is understood, have been made between Canadian flour millers and members of the Trans-Atlantic Conference as to increased freight rates on flour. As a result only a small increase in the general shift of rates upward will apply to this product.

Strong opposition to the original proposal developed among millers, the grain trade, and it is understood, the Canadian Wheat Board. Flour exports were represented as a tie-up with the national problem of selling wheat.

Grain Dealers and Ottawa Disagree on Crop Figures

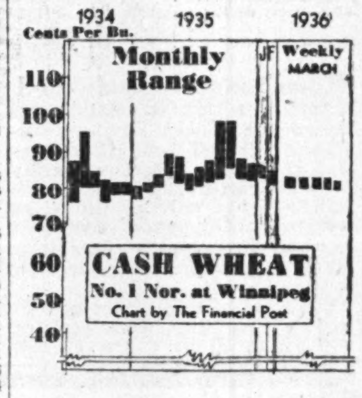
Final estimate of the North-west Grain Dealers' Association of the 1935 Canadian western wheat crop is 254,666,000 bushels. That quantity, while 45 millions above the previous N.W.G.D. estimate, is still about 5 millions below the final Dominion government figure.

The chief difference lies in the two estimates for durum wheat, which is put at 13 millions, against nearly 18 millions.

With farmers' deliveries to date of 189,500,000 bushels and an allowance for seed, feed and country mills of 45 millions, it is estimated that 18 millions of bushels still remain in farmers' hands. Estimates for barley, flax and rye are fairly close to government figures.

But the N.W.G.D. estimate for oats is only 202.8 millions or 42 millions less than the government summary. The main difference is understood to lie in figures for the northern parts of Saskatchewan and Alberta. There frosts did more damage than was at first anticipated, and prevented a good deal of the oats crop from reaching harvesting stage.

Wheat Prices



(Cash Quotations)

At Winnipeg:	For Week Mar. 31 High $	Low $	Prev. Week High $	Low $
1 Man. Hard ...	.82⅝	.81⅜	.83⅜	.81⅛
1 Northern	.81⅝	.80⅜	.82½	.81¼
2 Northern	.79⅛	.77⅞	.80⅛	.78¾
3 Northern	.74⅝	.74¼	.75⅞	.74½
4 Northern	.71½	70¼	.72⅝	.71¼
5 Wheat	.63⅝	.62⅜	.64⅞	.63⅛
6 Wheat	.53⅝	.52⅜	.54⅞	.53½
Feed Wheat	.46⅝	.45⅜	.47⅞	.46½
Vancouver: Week to Mar. 27:				
1 Northern	.81¾	.80½	.83⅞	.81½

Competitive Export Prices: (Mar.-Apr.) shipment:

	High Week to Mar. 27	Low
No. 1 North. (Vanc.) ...	0.98⅝	0.96⅞
No. 2 North. (Atlan.) ...	0.96¼	0.94¾
No. 2 North. (Vanc.) ...	0.97½	0.95½
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.91⅝	0.90⅞
Australian	0.94¾	0.93⅛
French	unquoted	

Winnipeg Grain Futures

Week to Mar. 31, 1936

Crop year from Aug. 1, 1935 High	Low		Open Mar. 25	High for week	Low for week	Close Mar. 31
		Wheat				
1.02¼	.82¼	May	.82½	.82⅞	.82⅛	.81⅜
.92⅞	.83	July	.83½	.83½	.82¼	.82⅜
.89	.82⅛	Oct.	.83⅞	.84½	.82⅞	.83
		Oats				
.35⅜	.29⅝	May	.30⅞	.31⅞	.30⅞	.31
.33⅜	.30	July	.31¼	.32	.31¼	.31⅜
.31	.30¾	Oct.	.....	.31	.30¾	.30¾
		Barley				
.42½	.34⅝	May	.38⅝	.39½	.38⅜	.38½
.40¼	.35⅝	July	.38⅝	.39⅞	.38⅝	.39
		Flax				
1.65	1.33	May	1.57⅛	1.57⅛	1.52	1.52
1.63	1.40¼	July	......	1.54¼	1.49	1.49
		Rye				
.51⅞	.41¼	May	.44	.44	.42¼	.42⅜
.48½	.43⅛	July	.44¾	.45	.43⅜	.43⅜
.49	.46⅜	Oct.	.46⅜	.46⅜	.45	.45

Ontario Power Policy Means Little to New Plants

From Our Own Correspondent

MONTREAL.—Quebec does not expect to secure a large number of industries as a result of the Ontario government's repudiation of the former Hydro-Quebec agreements.

Geo. H. Challies, provincial secretary in the Henry government, charged in the Ontario legislature that Quebec would gain industrially as a direct result of the Ontario government's power policy.

Contrary to general belief power is a minor factor in deciding where to establish an industrial plant. The average power load for new industries established in Quebec and Ontario in recent years has been less than 100 h.p.

Power Corp. Group Report Larger Output

From Our Own Correspondent

MONTREAL.—Subsidiary and affiliated companies of Power Corp. of Canada report an increase of nearly 20 per cent in power output for February as compared with the same month a year ago.

Total production for the month was 182.2 million kw.h. as against 152.4 million kw.h. last year, an increase of 29.7 million kw.h.

Kw.h. Output

	February 1936	1935
Southern Canada ...	11,647,340	14,136,090
Canada Northern ...	46,006,680	43,397,073
East Kootenay	5,226,098	6,706,072
B. C. Power	47,409,532	38,726,541
Northern B. C.	913,354	895,472
Winnipeg Electric ..	12,083,500	14,980,300
Manitoba Power	53,585,000	33,397,000
Norwestern Power ..	5,375,300	227,700
	182,226,864	152,466,248

Exhibition Co. Ends in Court

Liquidation Order Issued Against Montreal Stadium Owners

From Our Own Correspondent

MONTREAL. — Montreal Exhibition Co., owners of the Montreal Baseball Stadium, has been placed in liquidation on the application of Redfern Investments Ltd., and George Duclos has been named as provisional liquidator.

This company was incorporated toward the end of 1927 to build and operate a stadium and exhibition building as well as the Montreal Baseball Club through ownership of players' contracts then valued at $750,000 and a perpetual franchise to operate a team in the International League.

In 1933 the company sold its franchise and players for $100,000, which sum was used to wipe out all of its current liabilities with the exception of the funded debt and City of Montreal taxes.

Sold Stock to Public

Capitalization, as last reported, consisted of a $380,000 first mortgage against the property; 39,500 shares of Class A stock of the par value of $30 each and 25,000 shares of no par value Class B stock. Of the issued share stock, 35,000 shares of class A and 8,750 Class B shares were offered to the public by Ernest Savard Ltd. No dividends have been paid on the capital stock, while the serial payments due on the mortgaeg debt have been in arrears since 1931.

Argentinian Wheat Area In Spotlight

See Big Increase With Present Minimum Price Policy

SEEDING NOW

From Our Own Correspondent

WINNIPEG. — Much interest is shown in the probable extent of Argentine wheat acreage this year. If farmers believe the government can be persuaded to apply a high minimum price to new crop wheat they will endeavor to seed the maximum.

The high price which was established for this year's crop was only practical because of small production. Even if the government has to take a loss, it will be limited to the small quantity which will have to be sold to Europe at less than the minimum price paid. No difficulty has been experienced in maintaining prices on the proportion of the crop going to Brazil.

The Argentine government resisted for a time demands made by farmers for an increase in the minimum price on corn of this year's crop. Finally it gave in and advanced the price from the equivalent of 35 cents to 42 cents a bushel. This was not done, however, until it was known that the out-turn of the crop was likely to be considerably smaller than that of last year's record. Even if the government should take the expected action of warning farmers that the current high price on wheat cannot be maintained in the event of the new crop being large, farmers will likely try to force some concessions. The Argentine crop is seeded at practically the same time as the Canadian crop, although, as a winter wheat it has a much longer growing period and is not harvested until December.

New Wheat

Despite local shortages of good seed in former drought areas a larger wheat acreage is anticipated in Western Canada this spring. Verification, however, will await the first government report May 8.

* * *

Winter wheat conditions in North Africa are reported as not so satisfactory. Since the war there has been big wheat development by both France and Italy in this area.

* * *

General rains throughout the Argentine have aided in the preparation of soil for winter wheat seedings. They have, however, proved unfavorable for the corn harvest now under way.

* * *

So far, winter wheat appears to have come through the cold weather in good shape in Ontario, although the dangerous period of alternate freezing and thawing is just ahead. Moisture conditions for the new crop are described as ideal.

* * *

While most of March was unusually mild in Western Canada, the great depths to which the frost penetrated during the very severe weather last winter and record zero temperatures, are expected to prevent early general work on the land. Soil drifting has been almost entirely absent, and so far moisture conditions are more favorable than they have been in years.

* * *

In central United States, wheat has come through the winter without serious damage, although the danger period is not over yet. Late snowfalls in the southwest have temporarily checked serious dust storms. In southwestern Kansas, and parts of Texas and Oklahoma, the drought situation, however, is still unrelieved. Some anxiety has been caused by severe frost in these areas.

* * *

No change is reported in the crop situation in Europe. Prospects are still believed to be somewhat less favorable than a year ago, particularly in France. With the advent of growing-weather, more detailed reports from individual countries will be available.

Pass Liquidation Of Bank of London

Maurice Singer Not on Board of New Trust Co. Formed

According to the London Gazette, an extraordinary general meeting of the Bank of London, Ltd., March 7 passed a special resolution authorizing voluntary liquidation of the company. A declaration of solvency was filed February 13, 1936. Among the three directors in office on February 4 was Maurice Singer, but he resigned on that date.

It is interesting to note among English company registrations the name of the Bank of London Trust Co., Ltd. It was registered on March 14 to enter into an agreement with the Bank of London, Ltd., and to carry on the business of financiers, and financial agents. The nominal capital is £10,000 in £1 shares. Mr. Singer's name does not appear among the names of directors but one director has the same name as a member of the board of the Bank of London.

Evidence in the libel action taken by Maurice Singer and the Bank of London against the Daily Mail proprietors and the judgment in favor of the Daily Mail on the main points were recently given in The Financial Post at length. Since that time it is understood that Maurice Singer returned for a visit to Montreal.

Gasoline Tax Nets Ontario $14 Millions

Gasoline tax collected for the ten months ended January 31, 1936, in Ontario amounted to $14.5 millions. Of this total the province rebated $341,445 for gasoline used by farm machinery, $99,674 for gasoline used in motor boats and $422,645 for gasoline used in other ways.

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Since The Financial Post was founded nearly 30 years ago it has won an army of friends who trust its reliable news and views and who obtain the advice of its investment editors on their investments. Free mail consultation is a privilege accorded every subscriber.

EAGLE
"Chemi-Sealed"
MIKADO

Eagle Pencil Company of Canada, Limited

When this company was formed over eighty years ago the old ideas of pencil making were discarded. Chemists worked out new formulae and engineers new methods. Eagle research is reputed to have given the world the first lead pencil with an inserted eraser, the first copying pencil, and now the first "sealed" waxed lead for smoothness and strength.

Forty years ago their London, England factory was built. Five years ago the Canadian plant at Drummondville, Quebec, was established.

Eagle Mikado pencils are advertised in—

Maclean's
Canada's National Magazine

The Week in Mining

Guide to Stock Issuers Drafted by Commission

Maps, Assays and General Information to Conform With Requirements of Act — Employment Record

Aimed at aiding, rather than regulating, brokers and other mining promoters, the Ontario Securities Commission has just issued a pamphlet of general information which warrants close study, not only of security issuers, but of the public generally.

These requirements do not constitute a new set of regulations, but merely set forth, for the guidance of public and promoter, what the commission considers to be necessary formula for all sales literature.

The Financial Post understands that in the preparation of the pamphlet, the commission has had the advice of various mining associations, as well as other men prominent in the mining industry.

Maps Regulated

One of the most important requirements of the Commission has to do with the issuance of maps and diagrams. The type of promotional literature which attempts to indicate that, because a property lies adjacent to or near a producing property, the strike or dip of the vein continues into this company's ground, is well known. Anyone acquainted with the peculiarities of Canadian mining knows that proximity to a producer may mean nothing at all, unless some competent engineer or geologist reports that the ore body on the producing property is in line with the prospect, and even then, this information only enhances the speculative merits of the prospect. In insisting maps attempting to show the continuance of the ore body should be approved by a competent miner, the Commission has moved to eliminate one of the most obnoxious forms of fraudulent selling.

* * *

Assays and Samples

The tricky question of assays and samples is also dealt with, the Commission requiring that all references to samples should clearly state whether such samples are channel assays, grab samples, or bulk samples. This, of course, is aimed at prohibiting the use of samples to make extravagant claims for the property. Grab samples, indicating as they do that mineralization occurs on the property, have a definite use, but too often in the past they have been used to imply the existence of ore in commercial quantities. This work should also be done by competent men.

* * *

Tipster Sheets

Tipster sheets and sales literature disguised as "investment services" also come under the fire of the Commission. It is required that all investment services and mining news bulletins which purport to express disinterested professional opinion, but are in reality issued to promote the sale of some particular stock, should fully disclose what consideration has been received or is expected from the parties seeking to market such stock.

Facts Encouraged

It will be noted in reading the pamphlet, that the Commission is not seeking to tie the hands of legitimate promoters or mining stock salesmen. It is not trying to stifle "sales talk." On the contrary, the Commission, apparently taking the sane view that the purchaser of stock is entitled to all the facts, seeks to make the sales talk of the promoter more convincing by eliminating extraneous material.

Anyone connected with the mining industry who does not believe that it can stand on its own feet, without being bolstered by extravagant selling talk and misleading facts, will probably take exception to the requirements contained in the Commission's pamphlet.

* * *

Employment Sets Record

Buried away in the March Employment review of the Dominion Bureau of Statistics is the fact that last month, the employment index of metal mining industry is the highest on record. In other words, more men are being employed in mining metallic ores than ever before.

The index, which is adjusted for seasonal changes, and is based on 1926 equals 100, shows employment in March at 243.7, as compared with 212.2 in March, 1934. The previous high mark was in February, 1936, when the index stood at 234.8.

* * *

Index to Mining Stocks

Improvement in prices was evident in the mining section and the index of 23 mining issues partly regained the loss sustained in the preceding week, mounting from 140.5 for the week of March 19 to 143.2 for the week ending March 26. The index for the comparable week in 1935 was 127.6.

The level of gold issues during the month was roughly upon a par with that of last year for the same period. Thirteen golds showed appreciable gains and the index for this group was 121.2 for the week of March 26, as compared with 119.6 for the previous week. This index was 126.5 for the week of March 28, 1935.

Much activity was revealed in the base metals and after three weeks of gradual decline, the index advanced from 226.1 for the week of March 19 to 233.5 for the week of March 26.

Lake of Woods Area May Be '36 Surprise

Ventures, Wendigo, Blue Star, Rhoda Prospectors and Duport Operating in Kenora — Camp Has Chequered History

Ontario's most western mining area—the Lake of the Woods-Kenora region—was the black sheep of Canadian mining until this year.

For more than 40 years it had the dubious distinction of providing more "false alarms" than any other Canadian mining camp. It produced gold, it is true, but its production record of headaches for prospectors, stakers and financial backers was far more impressive.

Assays for example, would "kick" with thousands of dollars to the ton, and the next batch from the same find would show nothing but "traces"—to be followed by another abandonment of ground in favor of greener moose pastures.

Yet where there is smoke there is usually fire.

Under new and economically sound mining methods, the area is producing gold for the first time in nearly 50 years, on a commercially profitable scale, and by the end of this summer there will probably be additional mills in operation.

Duport Development

Perhaps not the most important, but one of the most spectacular is the Duport Mining Co. operation on Cameron Island.

Duport may become a real gold mine this year, for significant events at the property include word the company intends to erect a 50-ton mill, with provision for increasing capacity, and meanwhile underground work is proceeding.

Mills First; Ore Later

It was the practice of early mill construction in Kenora-Lake of the Woods that led indirectly to the camp's early disappointments. Back in the 80's and 90's, the first thought was to erect a stamp mill, without serious preliminary development of the property. Ore pinched out in many cases and stamp mills became a drug on the market. Duport is operating by the newer method.

Newer Mining Methods

The old stamp mills have given place to more modern methods, however, and at least one important milling operation—at the Wendigo—is now in progress on a basis of 50 tons a day. Wendigo's mill turned over on February 15, but ore has been drawn largely from the dump to date and recovery does not represent what will probably be obtained later. Ore is now being drawn from several levels at Wendigo, and previous average mine values of $12 to $14 gold are being confirmed in current operations, The Financial Post learns.

Near by is the newer and promising Blue Star Mining Co. where recent sampling has given average values for the property of around $21. Blue Star is the only property in the Lake of the Woods which is operating on three separate veins, and it has sunk two shafts in preparation for underground development. No. 1 shaft is down 127 ft., with levels opened at 65 and 110 ft., while the No. 2 shaft, southeast of No. 1 is down 65 ft. and has been sunk in high grade ore from surface.

To Drill and Sample

Drilling on a large scale is planned for the Rhoda Prospectors' holdings this summer and old and new veins are to be explored. There is, however, a considerable tonnage of ore on Nos. 1 and 2 shaft dumps and a small mill, around ten tons capacity, is planned for bulk sampling and revenue. Mill plans include participation of Amalgamated Mines and Mills Ltd., which has undertaken to finance drilling and mill installation in return for an interest in the venture.

Active at Cedar Island

Similar developments, as yet little known, are proceeding in Lake of the Woods, but probably the best known among current operations is that of Ventures Ltd. subsidiary, Kenora Prospectors and Mines Ltd. at Cedar Island. This is one of the first operations to become a potentially important producer from the various revivals of old mining properties in the region. Operating with a 50-ton mill, the Cedar Island property has been producing only since last October but, in November, production was $17,000 from 1,400 tons of ore, and results since that time are understood to have been equally if not more favorable. Shaft sinking from 500 to 650 was scheduled to permit operations on five levels this year.

These are only a few of the more important indications of what is taking place in Lake of the Woods.

Dozens of other operations are in progress, some of them as yet known only to the small groups engaged in surface exploration, prospecting, or other work.

Long Lac Lagoon Mines Sells Assets to Elmo

Shareholders of Long Lac Lagoon Mines at a special meeting in Toronto recently authorized directors to dispose of the company's assets and wind up the company's affairs as soon as possible. Assets will be sold to a new company, Elmo Gold Mines, with a capitalization of three million shares, of which Long Lac Lagoon will receive 400,000 shares and $1,000 in cash. To provide cash, a firm commitment has been made on 150,000 shares at 20 cents to net the company $30,000 with which to start sinking the shaft.

For an option held by P. E. Hopkins, the new company will issue 300,000 shares and will settle certain liabilities to Mr. Hopkins by issuing additional shares. Shareholders of Long Lac Lagoon are given the right to purchase one share of the new company for each 20 shares held.

Ore Reserves At B. C. Nickel Million Tons

Report Property Near Milling Goal of 2 Millions

SURVEY MARKETS

From Our Own Correspondent

VANCOUVER.—Ore reserves of B. C. Nickel have grown from 700,000 tons averaging 1.25 per cent nickel last year to 1,042,000 tons averaging 1.41 per cent, according to the company's annual report, just issued.

The report mentioned the election of C. D. Kaeding to the directorate and the appointment of Col. Victor Spencer as president to succeed the late David Sloan.

Results of the year's operations are described as "very gratifying" in the report, which adds:

"As it is expected that the objective of 2 million tons of better than 1.25 per cent nickel ore will be reached reasonably soon, your directors are now giving their attention to production, on a basis of 500 tons per day. Negotiations are in progress with business firms in various countries to act as the company's agents in selling its nickel concentrates, which is the form in which the company's products will, at the beginning, be marketed.

Since the start, work done on the property includes 12,792 ft. of tunnels and 94,172 ft. of diamond drilling; with raising of 1,000 ft.

Won't Retire Inco Preferred

Stanley Sees Little Benefit in Such a Move

Referring to suggestions that International Nickel Co. of Canada should retire for cash part or all of its preference shares, or that these shares should be converted into some other form of security carrying a lower dividend or interest rate, Robert C. Stanley, president, told shareholders at the annual meeting in Toronto recently that such a move would not, in the opinion of directors, be in the best interests of the company at present. The suggestions had been carefully considered by directors, and had finally been voted down.

Contrary to popular belief, Mr. Stanley stated, the company had not sold any nickel to United States, largest consumer, for resale. It has for years been the policy of the company to sell to consumers for their own use, and not for resale.

"I am emphasizing this point," stated the president, "because there has been some misunderstanding as to the ultimate destination of nickel exports from this country to United States."

Effects of War

Mr. Stanley reiterated the view, frequently expressed by those close to the affairs of this company, that a war demand for nickel is neither desirable nor profitable for the nickel industry. Such a demand would be temporary only, and might be followed by a disastrous interruption to the company's well-established peace-time field. A striking example of this was the aftermath of the World War.

Hopeful for Copper

Mr. Stanley was optimistic in dealing with the outlook for copper, an industry which, he thought, showed unmistakable signs of recovering from the depression. Consumption is increasing in the countries to which International Nickel exports its copper, particularly in Great Britain, where the Copper Development Association is aiding in expanding the market. The restriction of mine output, plus an almost universal expansion of consumption has largely liquidated excess stocks, and prices have improved.

While for 1935, total capital expenditures of International Nickel amounted to $3,304,642, like expenditures for 1936 are estimated at $10 millions, of which $9 millions will be spent in Canada.

Mill at 150 Tons At Central Pat.

Springer Group Awaits Additional Hydro Power

The mill addition at Central Patricia Gold Mines has been placed in operation, F. N. Connell, president, told the annual meeting recently. The mill is now treating about 150 tons daily with a gross production expected to run between $90,000 and $100,000 monthly.

Reviewing developments in 1935, Mr. Connell stated these continued to be satisfactory. Shaft sinking was done on February 1 last, and has now reached a depth of 220 ft. below the 500-ft., level, and is being continued to 1,000 ft. with four new levels to be established. It is expected that the objective of 1,000 ft. will be reached by June 15.

Questioned regarding the Springer or No. 2 group, shareholders were told that some time after October 1, when additional power is available, work on this group will be started. It is planned to sink a shaft to 500 ft. and continue development at that level.

Homestead Negotiating Sale of Bristol Gas

Negotiations for marketing gas from the Bristol Valley well, New York State, are nearing completion, shareholders of Homestead Oil & Gas are told in a notice calling the annual meeting of the company for April 9.

Since March, drilling has been started on the Stephens County, Texas property, the well to have an estimated depth of 1,400 ft. A rig is being erected on the site of a second well in this field, to be drilled to a depth of 3,100 ft.

A subsidiary company, Homestead Oil & Gas Co., has been formed with a Texas charter to hold the company's interests in Texas.

Mining Company Reports

Mining Corp. of Canada

Earnings equal to 2.4 cents a share on the 1,754,006 outstanding common shares of Mining Corp. of Canada Ltd. are indicated in the company's annual report for the year ended Dec. 31, 1935. These compare with a loss in 1934, and earnings of 4.7 cents a share in 1933.

Expense items in the 1935 report include $38,868 for executive salaries, an item that does not appear in the 1934 report. Explanation is that under the new companies act amendments, salaries must be shown as a separate charge, although these were included in the $85,954 amount for head office expense, administration, engineering and examination of prospects, in the 1934 statement.

Assets total $3,689,420 against $3,318,588 at the end of 1934. Current assets are $266,198, excluding investments in other mining companies, against $165,948 at the end of 1934. Current liabilities are $34,103, exclusive of $1,102,519 reserve for investments, compared with $28,408 at the end of 1934.

Profit and Loss Account
Years Ended Dec. 31

	1935 $	1934 $
Investment income	81,287	......
Interest	11,978	11,855
Other income	‡59,039	5,115
Total income	152,305	16,970
Less: Adm., engineering exp., exam. of prospects, etc.	48,450	85,954
Directors' fees	5,434	8,622
Executive salaries	38,868	......
Legal fees	5,071	......
Taxes	3,658	6,475
Shut-down exp., Cobalt	......	4,750
Total deductions	99,481	105,801
Net earnings*	52,824	*88,831
Less write-offs:		
Bad debts	1,235	3,800
Adv. to subsidiaries	5,755	......
Deprec., office equip.	1,228	439
Sundry	2,149	......
Total write offs	10,367	4,239
Net profit	42,457	*93,070
Previous surplus	335,176	428,246
Balance carried forward	377,634	335,176

‡Sale of assets previously written off.
*Deficit.

Taylor Windfall Gold

Talyor Windfall Gold Mining Co., developing a gold prospect 40 miles north of Bridge River, B.C., plans to resume work of reopening the mine and recommence shaft sinking from the 153-ft. elevation by May 1, E. S. Mason, superintendent, states in the annual report of the company just released.

The objective during the 1935 season was to determine the extent of the ore shoot in the tunnel level and to follow it with a shaft to the lowest intersection discovered by drilling. Exploration of the ore shoot on the tunnel level developed 55 ft. of ore of slightly over one ounce grade over 1.5 ft. width. Sinking, which began on Sept. 2 was discontinued Oct. 20, a small flow of water having hampered operations. An overall depth, including the raise, of 153 ft. was obtained. An overall average of samples taken to date, with the exception of a high assay of 16.8 ounces, yielded a value of 1.2 ounces gold over 1.5 ft. width.

New equipment, necessitated by the inflow of water, has been purchased and is on its way to the property.

An audited balance sheet accompanying the report, shows, as at Jan. 31, 1936, current assets of $11,088, including $5,000 due from F. R. MacDonald for shares purchased. Current liabilities, comprising only accounts payable, amounted at that date to $1,012, leaving a working capital position of $10,076.

Of an authorized capitalization of 1 million shares, $1 par value, 636,000 shares have been subscribed, leaving 364,000 in the treasury, all of which are under option. Of the subscribed stock, 536,000 have been allotted, and 100,000 sold to F. R. MacDonald, but are unallotted.

International Mining Corp.

Improved earnings, both from investment, and transactions, are shown by the annual report of International Mining Corp., world-wide Canadian prospecting, exploration, and holding company.

In addition, the working capital position of the company shows sharp improvement, cash, as at Dec. 1, 1935, being $1,177,284, as compared with cash $350,532 in 1934.

More Canadian Investments

H. W. Chadbourne, president, in reviewing the operations of the company for the year, states it is the intention of the company to devote an increasing amount of attention to Canadian business in 1936 through the recently formed subsidiary, International Mining Corp. (Canada) Ltd.

Income and Invest. Statement
Years Ended Dec. 31

	1935 $	1934 $
Income:		
Dividends	446,833	335,464
Interest rec.	13,331	936
Int. chgd. subs. co.	......	4,434
Misc. income	2,622	......
Total income	462,786	340,834
Expenses:		
Custodian fees	910	1,006
Directors' fees	1,860	1,140
Depreciation	491	500
Office exp. (incl. sals.)	62,778	38,197
Interest	......	991
Legal & audit	5,763	7,427
For. exch. loss	2,411	991
Taxes	35,927	22,970
Fed. inc. tax	13,000	13,000
Loss on Colorado Int. Min. Corp.	......	3,280
Telephone, teleg., etc.	8,927	8,560
Rents	8,380	6,531
Furn. & fix. w/o	5,091	......
Total expenses	145,568	104,593
Net profit before inv. trans.	317,228	236,241
Less: Com. divds.	260,029	60,000
Earned surplus, forward	57,199	176,241

Invest. Transactions Account

	1935 $	1934 $
Profit on sale of secs.	1,013,129	94,968
Less: Mine exam. exps.	104,111	72,227
Legal fees & exp.	35,569	......
Deprec. on field equip.	356	450
Field equip. w/o	331	......
Prov. for bad debts	......	5,000
Federal inc. taxes	54,000	7,000
Prov. for mining venture loss	600,000	......
Net profit on inv. trans.	218,762	10,291
Total net inc. & net profit on inv. trans.	535,990	246,582

Arntfield Gold Mines

Extensive development plans, increased ore reserves, and an excellent cost record for the first five months of milling, are highlights of the annual report of Arntfield Gold Mines, Rouyn, Quebec, gold producer.

Milling started July 27, 1935, and from Aug. 1 until Dec. 31, 1935, a net profit, after all charges and write-offs, of $7,489 is shown. Total operating costs per ton amount to $5.87, with the average recovery per ton working out to about $6.85 per ton.

During the five-month period, the average tonnage per day was 165 tons, millheads averaging 0.2166 oz. gold per ton. The mill, states V. A. James, resident manager, while having a rated capacity of 125 tons per day has proved itself capable of treating 190 to 200 tons per day, without utilizing extra building space provided for possible future expansion.

The ore reserve position has been fully maintained, and as at Dec. 31, 1935, estimated reserves are 112,400 tons grading .24 oz.

The balance sheet as at Dec. 31, shows current assets of $76,344, including $44,547 cash. Current liabilities amount to $40,360, leaving a working capital of $35,984.

Income and surplus account for the period August 1, to Dec. 31, is as follows:

INCOME AND SURPLUS ACCOUNT
Aug. 1 to Dec. 31, 1935

Revenue:	
Bullion sales	$178,045
Less: Marketing charges	2,042
	176,003
Less Expenses:	
Mine development	25,172
Mining	63,591
Milling	26,573
Mine gen. expenses	23,110
Admin. and general	9,690
Net oper. profit	27,867
Less: Depreciation	19,178
Res. for taxes	1,200
Net profit	7,489

Treadwell Yukon Co.

With operations during the year confined to the Tybo, Nevada mine, Treadwell Yukon Co., reports an improved earnings position for the fiscal year ended Dec. 31, 1935.

Net revenue, before charges, from the Tybo property amounted to $296,123 a substantial increase over 1934.

Work of preparing the Wernecke mines in the Yukon for resumption was started in the summer of 1935, and milling started early in March at Galena Hill, one of the Wernecke properties. Work on the Bussieres Mine, in Quebec, in which Treadwell Yukon has a substantial interest was stopped last March by the Quebec Gold Mining Corp., managers.

During the year, two new groups of claims were taken under option in the Galena Hill, Yukon, district. Construction of a new mill at this district has been completed, and it is now operating with a rated capacity of 200 tons per day. It is expected the production for the ten months of operation this year will average 20 tons of silver concentrate and 10 tons crude shipping ore per day.

Current assets at Dec. 31, 1935, totalled $481,021, of which $97,467 was cash. Current liabilities were $2,921,798, making an excess of current liabilities over current assets of $2,440,777.

Consol. Income and Deficit Acct.
Years Ended Dec. 31

	1935 $	1934 $
Losses from oper.:		
Tybo mine	17,269	164,830
Wernecke mine	6,897	7,722
Operating loss	24,166	172,552
Add: Gen. prospecting	1,502	11,817
General admin. exp.	33,758	34,729
Less: Misc. income	6,941	17,441
Net loss	52,485	201,657
Add: Errington mine exp.	13,036	68,380
Interest	650,311	771,906
Deficit for year	715,832	1,041,943
Add: Prev. deficit	5,986,571	4,944,628
Deficit forward	6,702,403	5,986,571

Matachewan Consolidated

Annual report of Matachewan Consolidated Mines, Venture's subsidiary in Powell Twp., Matachewan area of Ontario, reflects a successful initial production year.

In 1935 the mill handled 48,362 tons, from which a gross recovery of $356,824 was obtained. This works out to a gross per ton recovery of $7.38.

Ore reserves were added to more rapidly than they were depleted, with the result that at Dec. 31, 1935, ore reserves totalled 125,965 tons, with an average grade of 0.22 ounce to the ton.

The company's balance sheet also shows an improved working capital position.

Operating Account
Year Ended Dec. 31, 1935

	$
Sales	356,824
Less: Mktg. charges	5,054
Operat. expen., mine develop.	45,128
Drilling	2,362
Mining	108,101
Milling	61,762
Gen. expen.	29,827
Mine office, etc.	14,537
Admin. expen.	11,225
Operating profit	78,828
Add: Int. on bonds	864
Less: Int. on advances, etc.	749
Organ. w/o	1,774
Dom. & Prov. tax	1,500
Def. devel. w/o	48,362
Deprec.	23,027
Net profit	4,280

Ore of Promise Seen at Tashota

Minefinders Engineer Reports on Developments at Producer

A report by E. K. Fockler, of Minefinders Ltd., accompanying the annual report of Tashota Goldfields Ltd. in the Thunder Bay district of northern Ontario, gives basis for hope in the future development of substantial reserves at this producer.

The contract under which operations of this property were in the hands of Minefinders Ltd. expired last October, and a new arrangement has been entered into whereby Minefinders will act as consulting engineers, and supervise the management of the property itself.

The Fockler report, which covers development in considerable detail, can be summarized in the fact that the A vein has been cut by drilling at the 450-ft and 700-ft. levels, and that its westerly extension on the 200-ft. level has been determined. This report would indicate there is a strong possibility this vein is of greater length than originally expected, and that its width increases at depth. The drill holes showed a true width of 4 ft. running 0.88 ounces at the 445-ft. level, where the holes intersected the calculated projection of the ore shoot near its centre. At the 710-ft. level the intersection showed a true width of about 6 ft. running 0.06 ounces, this hole only cutting the vein to the east of the ore shoot indicated on the upper level, but it shows a very strong structure with mineralization characteristic of ore already under development.

Work on the D vein has also given encouraging results, H. H. Vaughan, president, states.

Financial Statement

In his report to shareholders, Mr. Vaughan points out that the financial statement reflects the results of difficulties experienced during the first few months of production operations, difficulties which directors feel have now been satisfactorily overcome. The 50-ton mill started in April, 1935.

While the balance sheet as at Dec. 31, 1935, indicates that current assets and liabilities are about equal, the operating statement, appended below, indicates that a considerable capital expenditure has been undertaken and is being met out of current earnings.

Postpone Increase

Mr. Vaughan states directors have considered increasing the mill capacity but find the capacity of the present plant can be increased to 125 tons per day at small expense. They have deferred any increase until additional ore reserves are more definitely determined.

In summarizing the ore reserves, Mr. Fockler places total assured ore at 16,000 tons, grading $18.20 per ton; probable ore at 18,000 tons, grading $17.50 per ton, and possible ore at 7,000 tons, grading $10.50 per ton. This makes total indicated ore to date 41,000 tons with an average grade of $16.45 per ton.

From the start of milling operations, operating costs per ton of ore milled was as follows: Mining, $5.78; milling, $2.78; development, $0.86. The mining cost Mr. Fockler points out, was inflated by the amount of $11,574 represented by increased quantity of broken ore in stopes valued at $4.08 per ton. Based on cost figures for the last three months, it is estimated that for the ensuing months costs should not exceed mining, $4.50; milling, $2.50 and development, $1.25, including drilling at $2 per ft.

Balance sheet as at Dec. 31, 1935, shows current assets of $89,215, against current liabilities of $97,768.

Operating Statement
(May 1 to Dec. 31, 1935)

	$
Bull. & Concent. shipped	65,376
Gold on hand	61,393
Sundry Rev.	355
Less: handling & market	4,723
Mining	61,566
Develop.	9,740
Milling	35,128
Drilling	2,143
Management, etc.	9,813
Gen. & admins. expen.	4,493
Net loss before deprec.	482
Add: deprec.	8,110
Deficit to balance sheet	8,592

Note: Costs as above shown after transferring to development, Organization & Sundry Expenses, April 30, 1935; develop. $21,048; mining $5,295; milling, $868; management, $6,471; gen. & admin. $2,965. From mining costs have been deducted $11,514 representing increase in quantity of broken ore in stopes, subsequent to April 30, 1935.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

The shares referred to herein are being offered in Canada but not in the United States of America. This advertisement is not, and under no circumstances is to be construed as an offering of any of this issue for sale in the United States of America or the territories or possessions thereof, or an offering to any resident of the United States, or a solicitation therein, or an offer to buy any of this issue. These shares are not registered under the United States "Securities Act of 1933" or any amendments thereto.

470,000 Shares
DARKWATER MINES, LIMITED
(No Personal Liability)
Incorporated under the Laws of the Province of Ontario, October 22nd, 1935.
Authorized Capital $1,500,000 divided into 1,500,000 shares of a par value of $1 each.
Issued Capital 650,005 shares (March 28th, 1936)
HEAD OFFICE: 85 RICHMOND ST. WEST, TORONTO, CANADA

These Shares Are Offered to the Shareholders of
ROBB-MONTBRAY MINES, LIMITED
(No Personal Liability)
for subscription at the price of 48c per share, on the basis of one share of Darkwater Mines, Limited for each ten shares of Robb-Montbray Mines, Limited held, pursuant to circular letter dated March 21st, 1936, hereinafter mentioned. The right to subscribe extends only to shareholders of record April 9th, 1936, and expires April 29th, 1936.

PROPERTIES: The Company owns five patented mining claims and thirty unpatented mining claims on the southern portion of Sturgeon Lake, Kenora Mining Division, Ontario, upon which are erected the necessary camp buildings for carrying on exploration work.

DEVELOPMENT: Exploration work has been carried on by surface operations consisting of trenching, test pitting, etc., and by diamond drilling. A full report in respect to the latter operation by Mr. C. C. Huston may be obtained upon application at the Company's office and is included in the Annual Report of Robb-Montbray Mines, Limited, recently issued.

PURPOSE OF ISSUE: The shares now being offered for subscription are at present under option to Robb-Montbray Mines, Limited, and the funds to be derived from their sale will be used in the further exploration of the Company's properties by shaft sinking and mining. Full particulars of the offering are set out in the circular letter issued by Robb-Montbray Mines, Limited, and dated March 21st, 1936, copies of which together with subscription forms may be obtained upon application to that Company's office.

This advertisement appears for the information of any person holding certificates for shares of Robb-Montbray Mines, Limited, registered in "Street" names or names other than his own name. Such person should apply to The Toronto General Trusts Corporation, 253 Bay Street, Toronto, to have his shares transferred to his own name before April 9th, 1936. If any shareholder fails to receive his warrant or desires further or other information, he may communicate with either the Company or The Toronto General Trusts Corporation.

March 28th, 1936.

BIG MASTER
CONSOLIDATED GOLD MINES, LIMITED
33 Claims, Comprising Approximately 1,400 Acres, in the Kenora District

Development
Recent development work has resulted in deepening the shaft to 350 feet with four working levels now established. Drifting to a point 175 feet north of the shaft has been accomplished on the 350-foot level, with several crosscuts east and west from this drift. The downward extension of the ore has been proven and assays have revealed high values over good widths. A recent series of assays from the cross cut 130 feet north from the shaft averaged $54.00 over a width of 9.6 feet.
Flat diamond drilling at the 350-foot level recently intersected No. 4 vein, which, on surface lies some 240 feet west of and runs roughly parallel with vein No. 3. Where intersected the vein was 15 feet wide, showing heavy mineralization.

It Is Proposed
to sink the shaft to 500 feet and make that the main working level. Preliminary to doing this, however, the company is putting in hand at once an extensive campaign of diamond drilling and surface exploration to determine additional probable ore shoots on the same vein system.
The underground crew will be put to work at once on the third level drifting on No. 4 vein, which is reached by a crosscut from the No. 3 vein on this level.

Competent Engineers
have reported estimates of 30,000 tons of ore with the further comment "THAT DRIFTING ON THE EXISTING LEVELS SHOULD LENGTHEN THE SHOOT TO THE EXTENT THAT OUTLINED DEVELOPMENT SHOULD INDICATE SOME 75,000 TONS OF ORE AHEAD OF A MILL."

The Company
is adequately financed to carry out the programme of development laid out and is under the most capable direction. It is a matter of considerable importance that the Board of Directors is composed of men of the highest eminence in mining and finance and includes a number of engineers of international reputation of success.

Directors
F. A. GABY, B.A.Sc., D.Sc. E. B. KNAPP, E.M. JOHN C. ROGERS, E.M. DR. M. H. LEBEL
HON W. D. BLACK J. ARTHUR GRIFFITH W. RALPH SALTER

The above facts may be permitted to speak for themselves without added comment. We regard the shares of this company as being unusually attractive for venture or surplus funds.

Shares may be purchased at the market through any broker or orders may be sent direct to

A. E. DAWSON & CO.
INVESTMENTS
Federal Building, Toronto Telephone ADelaide 6093-4-5

A. E. DAWSON & CO.
Federal Bldg., Toronto.
Please send full details re Big Master.
NAME ....
ADDRESS ....

A. E. DAWSON & CO. Date..............
Federal Bldg., Toronto.
Please enter my order for..............shares of Big Master Consolidated at best market price.
NAME ....
ADDRESS ....

Slate Mine Work Starts Near Madoc

Famed Old Ontario Mineral Area Passes Initial Tests

QUALITY HIGH

Machinery has been ordered from Wales and all plans laid for production in what might become an important new mineral industry for Canada, namely the mining and finishing of slate.

The slate deposit at present being worked is located at Madoc, in eastern Ontario, and has been known for many years. Canadian Slate Products Ltd., which has been working the deposit, was formerly the Canadian Slate Mines Ltd., the name having recently been changed. The company expects to be ready for production in a few months.

The Financial Post has examined reports made on the property by Ernest H. Jones, mining surveyor, and by Stuart E. Sill, consulting engineer, of Buffalo. Mr. Jones's report was made early in 1934, and that of Mr. Sill in August, 1935.

Both engineers have reported favorably on the tonnage possibilities of the property, Mr. Jones stating: "It is my opinion that slate extends to a much greater depth than has been proved, and if the ridge aforementioned, (which runs across the property for a distance of about 2,000 ft.) is calculated at a depth of 60 ft., this would represent a tonnage of approximately 10 million tons available."

Wide Margin Possible

The tenor of Mr. Sill's report is equally optimistic. In dealing with costs, he points out that the ore is potentially capable of producing a great variety of products, principally roofing slate, panels, wainscotting, school slates, and slates for structural purposes, in addition to a demand for the ground or powdered products.

All slating used in Canada today is imported, and retails at prices of from $17 to $30 per square, which at the quarries should, according to Stuart Sill, be produced at a cost as low as $4 per square.

The slate deposit at Madoc is, so far as government reports indicate, the only known deposit of commercial slate in the Dominion. It was worked over fifty years ago, and was used for roofing a few buildings in eastern Ontario. At that time it was planned to utilize slate for paving sidewalks, but the advent of cement put an end to that proposal.

Named After Fortmadoc?

It is more than a coincidence that one of the most important slate quarries in the world is situated at Fortmadoc, in Wales. The fact that the early settlers of the Ontario district were Welsh leaves little doubt that it was the discovery of the surface showings of that commodity which gave Madoc its name.

As for quality, Canadian Slate Products, after the recent convention of the Canadian Construction Association in Hamilton, have received letters from outstanding contractors testifying as to the superior quality of the company's product over the product now being imported from United States and from United Kingdom.

From quarterly figures prepared by the Department of Trade & Commerce at Ottawa, The Post estimates that in the calandar year 1935, Canada imported slate and slate products to the value of $36,388. This figure shows a sharp decline from other years. For the fiscal years 1930, 1931 and 1932, the average yearly imports of slate and slate products was about $215,000 annually, before adding duty, freight and taxes.

The 1935 import figures, prepared by The Post from government reports, could be tabled as follows:

Slate Imports, 1935

	$
Roofing	11,197
Slate pencils	2,517
Writing slates	16,379
Slate manufactures	6,295
Total	36,388

In addition to the above markets, officials state that there is a demand for so-called by-products, in the form of powdered slate, widely used in slate granules, Terazzo chips, slate flour, etc.

In addition to the home market which is undoubtedly suffering from capital goods depression, the management aim to compete with other countries in the export trade, relying on superior quality and cheaper production cost.

Canadian Slate Products has an authorized capitalization of one million shares, no par value. Including an offering currently being made, of 120,000 shares at $1 per share, there are, or will be outstanding 600,000 shares, leaving 400,000 shares in the treasury.

Officers and directors of the company are as follows: L. Ampleford, president and general manager; R. A. Leaker, sec'y; J. F. Noakes, W. J. W. Armstrong, Alex. MacLeod, directors. H. D. Woodcroft is treasurer ex-officio.

Big Master Vein Has Nice Width

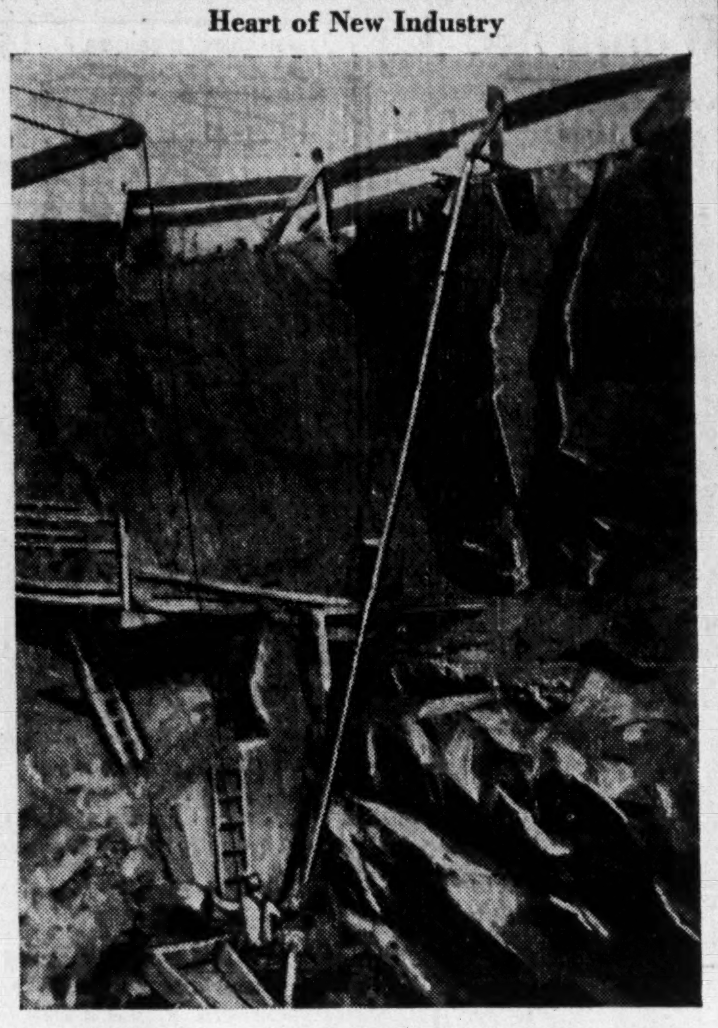
Drilling From 4th Level Gives Results

Showing a width of over 15 ft., No. 4 vein at Big Master Mine, in the Wabigoon district, Kenora, has been intersected by a flat diamond drill from the fourth level. No assay returns are available as yet. Although sampling on the only level where the No. 4 vein has been opened underground disclosed somewhat lower values than the No. 3, its greater width carries interesting tonnage possibilities, officials believe.

Report Sees Possibilities In Chibougamau District

The Chibougamau area of Quebec will receive further investigation, it is announced, and that some of this work will result in the uncovering of deposits of economic importance is very probable, says a report prepared by J. B. Mawdsley and G. W. H. Norman, of Geological Survey, Dominion Department of Mines.

Heart of New Industry



Above view shows the inside of the quarry at Madoc, Ont., being brought to the production stage by Canadian Slate Products Ltd. This slate deposit, it is planned, will form the basis for a new branch of the rapidly expanding Canadian mineral industry.

Mining Revenue Tonnage Shows Healthy Increase

Further evidence of the manner in which the growth of the mining industry has aided Canadian railways is contained in the interesting tabulation shown below. This shows the tons of revenue freight handled by all Canadian railways during the past four years.

It will be noted the greatest gain, both in originating traffic and in total traffic which includes all that loaded from foreign connections either on United States lines, or from other lines in Canada, has been made by mining.

Total freight from products of the mines increased from 19.5 million revenue tons in 1932 to about 24.2 million tons in 1935.

The figures for 1932, 1933 and 1934 have been compiled from yearly totals published in "Statistics of Steam Railways in Canada." The 1935 figures represent the total of returns published by the Dominion Bureau of Statistics monthly report:

TONS OF REVENUE FREIGHT HANDLED BY ALL CANADIAN RAILWAYS

Products:	1932 (rev. tons)	1933 (rev. tons)	1934 (rev. tons)	1935 (rev. tons)
Originating Traffic				
Agriculture	16,017,688	13,504,416	13,872,892	13,258,466
Animal	999,395	1,063,541	1,147,764	1,164,261
Mine	12,455,938	12,110,422	16,347,624	17,086,502
Forest	5,230,525	5,753,995	7,307,121	7,351,903
Manufactures & miscellaneous	9,927,992	9,551,014	11,677,288	11,510,065
Grand total	44,631,538	41,983,338	50,352,689	50,371,197
Total Traffic				
Agriculture	18,901,021	16,158,883	16,629,926	15,705,746
Animal	2,180,459	2,319,026	2,445,703	2,205,549
Mine	19,503,194	18,382,039	23,660,188	24,174,184
Forest	5,720,550	6,264,957	7,891,120	8,019,329
Manufactures & miscellaneous	14,502,258	14,239,120	17,409,568	18,757,615
Grand total	60,807,482	57,364,025	68,036,505	68,862,423

Mining Enquiries

MacFarlane Long Lac

I own some stock in MacFarlane Long Lac, bought from John White & Co. Are either of these concerns still in existence and if so, what is the outlook for my stock?

MacFarlane Long Lac Gold Mines is at the present time inactive. Two responsible engineers have recommended no further work to be done on the property, and this plus the fact that John White & Co. of Toronto, who sponsored this stock have been closed by the Ontario Securities Commission, leaves the outlook bleak. The company is still in existence and owns about 75,000 shares of May-Spiers Gold Mines. May-Spiers Gold Mines owns a gold prospect in the Red Lake area. The company is currently financing development work, and in the meantime the company remains an unproved prospect.

Perron Gold Mines

I would be glad of your comments on present status and future prospects of Perron Gold Mines. I understand this is a producing mine. What is its monthly output?

The new 125-ton mill of Perron Gold Mines with property in Pascalis and Senneville townships, Quebec, started late last February. Prior to this, the company had been operating with a 22-ton test mill which had recovered approximately $12,000 a month. It is expected the returns from the new mill will aggregate approximately $40,000 a month. The mine has been opened up on two levels at depths of 175 and 325 ft. Officials state ore developments have been satisfactory and it is possible a second 125-ton mill may be added some time this year. It is expected that the ore will average about $13.5 a ton. No official estimate as to ore reserves has been made, but we have seen a semi-official estimate which places them at about 200,000 tons. As at December 31, 1935, the company's current assets totalled $104,844, against current liabilities of $151,489. Thus, current liabilities exceed current assets by $46,645.

Noranda Mines

As a resident abroad, who depends largely on your valuable paper when dealing in Canadian securities, I would very much appreciate your views on Noranda Mines as a fairly safe investment. What is the yield on this stock, and do you think it fairly safe?

Noranda Mines Ltd., the large-scale Rouyn-copper-gold producer, continues to be in a particularly strong position, both as regards financial position and physical outlook at the property. At current prices of around $9, and a dividend of $2 per year, the yield is approximately 4⅛ per cent which, in view of the security offered, must be considered very satisfactory. The property is one of the largest producers of gold and copper in Canada. In 1935 the company earned the equivalent of $2.63 per share, as compared with $2.19 per share in 1934. Ore reserves are estimated at 28,305,000 tons, which have an estimated value of $320 millions. At the present scale of production this is equivalent to 18 years supply, a figure which puts Noranda in the forefront of Canadian mining enterprises. The metal content of the ore runs approximately $6.25 in gold and 55 lb. of copper per ton. Overall costs run in the neighborhood of $5.25 a ton, leaving a comfortable margin of profit.

During depression years, Noranda has tangibly demonstrated its ability to carry on during low copper prices. This is because of the flexible nature of the company's ore, which permits treating ore high in gold content during periods of low copper prices. Because of the large tonnage in copper, any increase in the price of this metal has a marked effect on the company's earnings, and there are indications at the present time that the low copper price point has been passed.

Current assets as at December 31, 1935, totalled about $12.5 millions, opposed to current liabilities of about $2.9 millions, leaving a working capital of approximately $9.5 millions.

Montgomery-Ackerman

Would you be good enough to tell me whether Montgomery-Ackerman is still active, and where its property is. In addition, I would appreciate your views on the outlook for this property.

Montgomery - Ackerman Gold Mines, which owns property in the Swayze area and in the Sturgeon River area of northern Ontario, is inactive at the present time, and we have been able to receive no reply to enquiries. There is no market for this stock, as far as we are aware. The last address for this company was 201 George St., Peterborough, Ont.

Pickle Crow

I read with much interest an article recently appearing in your paper regarding Pickle Crow Gold Mines. Has anything happened since the article was written to change your opinion of this stock?

Since the article in connection with Pickle Crow Gold Mines was written, there have been no developments of significance, apart from the fact that conditions remain promising on the lower levels of this property.

We should perhaps point out that the investing public have been quick to appreciate the possibilities of this mine, with the result that the present prices appear fully as high as the outlook warrants.

However, the company is in good hands, and work on the adjoining properties, chiefly Central Patricia, is giving basis for much hope in the whole Patricia area.

Sherritt-Gordon

It has been suggested to me that Sherritt-Gordon Mines is a good buy at the present time. I would like to get your comment on this before doing anything.

Sherritt-Gordon has not resumed activity on its copper deposits near Flin Flon, Manitoba. Work done prior to cessation of operations indicated there was considerable tonnage of copper ore on this property, but low copper prices precluded operating at a profit. Company officials, among whom are some experienced mining men, have stated that if copper prices are stabilized at around ten cents per pound or over, operations will be resumed. With present uncertain conditions surrounding the copper markets, Sherritt-Gordon appears as a long-hold speculation only.

Minto Mine to Ship Out Rich Grades

Work Lengthens Zone of Spectacular Veins

AVERAGES 3.2 OZ.

From Our Own Correspondent

VANCOUVER.—Two ounce gold ore or better should warrant shipment from the Minto Mines, according to Andrew Larson, director, after a visit to the company's workings, during which he discussed a contract rate for shipping crude. He thinks results of such a plan will probably be better than running the rich ore through the mill where some of the values would be lost.

In an official summary of recent developments at Minto Mr. Larson says drifting has proceeded 120 ft. on the rich ore shoot and for 110 ft. of this distance assays have averaged 3.32 ounces in gold per ton, over an average width of 5.15 ft.

Two more rounds since the average was calculated give a total of 130 ft. on the high-grade. Free gold was showing on the face. At least five cars will be shipped in March, two being of crude and three of concentrate.

Red Crest Co. Gets Finances

Kirkland-Hudson to Operate Red Lake Property

It is officially announced Red Crest Gold Mines have entered into an agreement with Kirkland-Hudson Bay Gold Mines to finance and operate the Red Crest property at Red Lake, Ontario. The agreement provides for a firm commitment on treasury stock by the Kirkland-Hudson Bay Gold Mines, and the granting of options on the balance of the treasury stock.

Work on sinking the main shaft will be resumed immediately, and plans have been made for a development programme.

The Red Crest property consists of seven claims about a mile from Red Lake, and approximately seven miles west of the McKenzie Red Lake Gold Mines. Trenching and sampling have indicated an ore shoot about 222 ft. long and 5.1 ft. wide, with an average value of .65 per cent ore. Milling operations on a small scale have been proceeding since the fall, with output from a test mill of five to ten tons per day running, according to officials, about $250 a day.

The Financial Post understands there will be no public offering of Red Crest stock. Kirkland-Hudson Bay, a subsidiary of Lake Shore, will now have the full direction of the work at the property, and its representatives will be added to the board of directors.

Wawbano Mines Adds To Chiboug. Holdings

Wawbano Mines is extending its holdings in the Chibougamau Lake area of Quebec, having recently acquired an option on Portage Island, one of the original discoveries in the area. When the option is fully exercised the company will hold a two-thirds interest in the property. Considerable development work has been done on the island in trenching and diamond drilling. This work indicates a series of replacement zones and veins carrying values in gold and copper. The quartz vein on which the drilling has been done shows widths upward of 20 ft., the company reports.

Wawbano Gold Mines has included in its summer programme an appropriation of $60,000 for work at Portage Island and adjoining grounds, including $20,000 for 8,000 ft. of drilling and a similar amount for work underground.

Cons. Chibougamau Stock Listed on Montreal Curb

From Our Own Correspondent

MONTREAL.—Consolidated Chibougamau Gold Fields capital stock has been called for trading on the Montreal Curb market. The listing covers 3 million shares of $1 par value each, authorized and issued. Of this number, 600,000 shares were turned over to Chibougamau Prospectors Ltd. for properties and 1.8 million shares were optioned for development of the property to Consolidated Mining and Smelting Co. of Canada.

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Merchant- -Miner

Col. Spencer, B. C. Nickel President Linked With Early Days of Province

From Our Own Correspondent

VANCOUVER.—Col. Victor Spencer, who accepted the presidency of B. C. Nickel Mines recently, succeeding the late David Sloan, killed in an airplane crash last summer at Alta Lake, has been an active figure in mining in this province for more than a decade. His most important mining association, of course, has been with Pioneer Gold Mining Co., of which he is president.

Col. Spencer is the youngest of the four brothers who own and operate the Spencer chain of department stores in British Columbia. The first Spencer store was established in Victoria four years before Confederation, and gradually the business has expanded until now it operates four stores with a capital rated last year at $11 millions. The stores deal in almost every kind of merchandise.

Col. Spencer was one of the first capitalists to show faith in the Bridge River goldfield, and his investment in Pioneer Gold Mines has been an exceedingly profitable one.

With David Sloan and Bernard ("Sell-'em Ben") Smith, celebrated New York stock operator, Col. Spencer took the initiative in opening up the Pioneer group and establishing there the biggest producer in the Bridge River and the most consistent revenue maker among the recently developed mines of Western Canada.

"Triple-S Syndicate"

The Triple-S syndicate (Spencer, Sloan and Smith) went into the nickel field about six years ago, taking over the claims at Choate, near Yale, which became the B. C. Nickel property, now being developed on an ambitious scale. At the recent meeting of directors here Charles D. Kaeding has been with B. C. Nickel for some time in a consulting capacity on metallurgy and marketing. A. H. Douglas continues as vice-president under Col. Spencer. Mr. Smith is reported to have acquired the interests of T. E. Bragg, of New York, in B. C. Nickel and may become a director next year.

Father Felt Gold Lure

Although the Spencer family was so fully absorbed in the business of merchandising dry goods and groceries and other articles of commerce that until a few years ago it had no time for interest in mining, it was the lure of gold that originally attracted the founder of the Spencer stores, the late David Spencer, to British Columbia. While teaching school in a little Welsh town the elder Spencer heard the siren call from the west coast in 1862. When Victoria was a primitive outpost of government, chiefly peopled by men on their way to the mines of the Cariboo, Mr. Spencer had the foresight to build a store that would cater to the needs of the transient population. His original stock consisted of little more than paper-backed novels, but this was gradually extended until Spencer's department store was the most complete and largest in the West. Chris Spencer, eldest of David Spencer's sons, is now president of the company.

Col. Spencer had a distinguished war record with the Canadian Expeditionary Force.

Mining Concerns Newly Formed

Antler Gold Mines—Alta. Incorp. Jan. 24, 1936. H. O., Calgary. Author. Cap. 20,000 preference shares of $5 each, and 200,000 common shares, no par value, not to exceed 10c. per share.

Brenmac Mining Syndicate—Ont. Incorp. Feb. 1, 1936. H. O., Toronto. Author. Cap. $200,000, $100 par.

Century Gold Mines—B. C. Incorp. as a specially limited company Feb. 7, 1936. Registered Office, E. J. Avison, Carson St., Quesnel, B.C. Author. Cap. 600,000 shares, $1 par.

Charlotte Lake Golds—Alta. Incorp. Feb. 6, 1936. H. O., Edmonton. Author. Cap. $20,000, 20,000 shares, $1 par.

Cottonwood Gold Mines—B. C. Incorp. as a specially limited company Feb. 6, 1936. Registered Office, Wilson, White and Woodburn, Carson St., Quesnel, B.C. Author. Cap. 2,000 shares $10 par.

Foundation Petroleum — Alta. Incorp. Feb. 5, 1936. H. O., Calgary. Author. Cap. 2,000,000 shares, no par value, not to exceed 25c. per share.

Gold Bar Placer Syndicate—B. C. Incorp. as a specially limited company Feb. 8, 1936. Registered Office, 522 Metropolitan Bldg., 626 Pender St. W., Vancouver. Author. Cap. $30,000, $100 par.

Gold Deep Mines—B. C. Incorp. Feb. 14, 1934. H. O., Room 706, Royal Trust Bldg., 626 Pender St. W., Vancouver. Author. Cap. $100,000, $1 par.

Greenlee Mines—Ont. Incorp. Jan. 30, 1936. H. O., Toronto. Author. Cap. $3,500,000, $1 par.

Jubilee Gold Exploration Syndicate—Quebec Incorp. Jan. 29, 1936. H. O., Montreal. Author. Cap. $50,000, $20 par.

Lake Rose Mines—Ont. Incorp. Feb. 14, 1936. H. O., Toronto. Author. Cap. $3,000,000, $1 par.

Lennox Mines—Ont. Incorp. Feb. 1, 1936. H. O., Napanee, Ont. Author. Cap. $40,000, $100 par.

McWilliams-Beardmore Mines—Ont. Incorp. Jan. 18, 1936. H. O., Toronto. Author. Cap. 3,000,000 shares, no par value.

Macaboug Explorations — Ont. Incorp. Feb. 12, 1936. H. O., Toronto. Author. Cap. $500,000, $1 par.

Matachewan Hub Pioneer Mines — Ont. Incorp. Feb. 13, 1936. H. O., Toronto. Author. Cap. $300,000, $1 par.

Michel Placer Mines—B. C. Incorp. Feb. 13, 1936. H. O., 611 Randall Bldg., 535 George St. W., Vancouver. Author. Cap. 50,000 shares, no par value.

Quesnel Placers—B. C. Incorp. as a specially limited company, Jan. 31, 1936. Registered Office, 503-6 Rogers Bldg., 470 Granville St., Vancouver. Author. Cap. $100,000, $1 par.

Signal Oil—Alta. Incorp. Feb. 4, 1936. H. O., Edmonton. Author. Cap. $100,000.

Vicmac Syndicate—Dom. Incorp. Feb. 6, 1936. H. O., Toronto. Author. Cap. $100,000, $10 par.

Yellowknife Gold Mines—Alta. Incorp. Jan. 27, 1936. H. O., Edmonton. Author. Cap. $20,000, divided into 14,000 ordinary shares of $1 each; 6,000 class A ordinary shares of $1 each.

DEFUNCT

Pre-Cambrian Gold Mines—Vernon, B.C. and Seattle, Wash. Made an assignment on Jan. 22, 1936.—Canada Gazette, Feb. 15, 1936.

STRUCK FROM REGISTER

Canadian Development Co.; Record Oil Co.; Tongue Creek Oil Fields; Monarch Oil Holdings; Cadillac Coal Company; Canada Kevin Oils; Alba Development Co.; Ko-Top Oils; Irma Oil Holdings; Irma Oil Development Co.; Morris Petroleum Holdings; Cummings Lake Oils; Comba Bear Lake Holdings; Arctic Exploration and Mining.—Alberta Gazette, Feb. 15, 1936.

CAPITAL CHANGED

Casey Contact Mines—Incorp. March 25, 1929. Supplementary letters patent issues Feb. 12, 1936, (a) Changing the name of the company to Brengold Mines; (b) Decreasing the capital from $3,500,000 to $1,412,130, such decrease to be affected by cancellation pro rata of 2,087,870 issued and outstanding shares, par value $1 each; and (c) Increasing the capital from $1,412,130 to $3,000,000 by the creation of 1,587,870 additional shares of $1 each.—Ontario Gazette, Feb. 29, 1936.

Dwyer Elbow Lake Mining Syndicate—Supplementary letters patent issued Jan. 22, 1936, to change the par value of shares from $1 each to no par value, and to increase the capital stock to $375,000, divided into 375,000 shares of $1 each.—Quebec Gazette, Feb. 15, 1936.

Milmac Mines — Incorp. Dec. 29, 1933. Supplementary letters patent issued Feb. 12, 1936, changing the capital stock from 3,500,000 shares no par value, into 3,500,000 shares par value $1 each.—Ontario Gazette, Feb. 29, 1936.

Penn Porcupine Mining—Incorp. Feb. 2, 1917. Supplementary letters patent issued Feb. 14, 1936, redividing the capital stock of 3,000,000 shares par value $1 each into 30,000 shares, par value $100 each.—Ontario Gazette, Feb. 29, 1936.

CHARTER SURRENDERED

Fort Hope Mines—Notice given of application for surrender of charter.—Ontario Gazette, Feb. 29, 1936.

Lake Fortune Mining—Notice given at Quebec, Feb. 15, 1936, that surrender of charter has been made.—Quebec Gazette, Feb. 22, 1936.

Polaris Gold Mines of Canada*—Notice given of application for surrender of charter.—Ontario Gazette, Feb. 29, 1936.

*Does not refer to Polaris Gold Mines (Canada) Ltd.

NAME CHANGED

Cayoosh Gold Mines—Changed its name to the Midland Oil Company on Jan. 16, 1936.—B. C. Gazette, Feb. 13, 1936.

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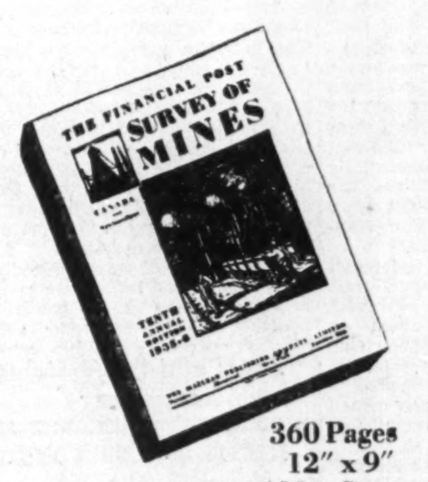

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Baiting With Bread

Use of Staples for Loss Leaders "Bad" Says Commission Probing Winnipeg Price War—"Good" Reply Consumers

"Loss Leaders."

When retailers sell such staple articles as bread and milk at a loss in an effort to attract customers, the effect on the well-organized milk and bread industries is immediate and devastating. They must make a profit if they are to survive and they must make it in the sale of bread and milk. They bitterly resent chain stores, for instance, selling bread and milk at a loss because bakers and dairymen cannot make a profit in something else to make up for the immediate loss. Yet they have to reduce prices to meet the chain stores' competition if they are to hold their customers. It has been shown in the prolonged bread price war in Winnipeg that chain stores controlling 5 per cent of the total trade can bring the price down all along the line by such a device.

Government commissions have struggled with the problem of devising some formula for fixing of prices of milk and bread to prevent selling at a loss. Milk distributors and bread sellers alike declare that in the end the lower than cost prices work back to the detriment of farmers and workers.

The chain stores in Winnipeg used milk as a "loss leader" but were compelled to abandon this practice when the price of milk was placed under the control of the public utilities board.

Page the Consumer

There is another thorny side to the question. There are far more consumers who are directly affected, than there are producers. In Winnipeg now, for example, the newspapers take the side of the consumer against the conclusions of the Whitla board of enquiry into the price war on bread. The Winnipeg Free Press claims the board went beyond its authority in proposing that bakeries and bread dealers should be licensed and that the price of bread should be fixed. It claims that Winnipegers should get their bread cheap because they are in the centre of the wheat lands. It denies the dictum that established business has a prescriptive right to be protected against this kind of competition and "to have their prices fixed so that their sales or profits will not be reduced by price-cutters."

The Winnipeg Free Press argument is that prices are self-adjusting. If chains sell at a loss they are bound to put competitors out of business and to gain a larger share of the trade.

"At some point in the process," says The Winnipeg Free Press, "the sale of bread will become unprofitable to them and they will have to put the price up. Suppose on the other hand, they do not gain business but stay at the 5 per cent mark. That will prove that competitors can meet their price and a permanent gain to consumers will be achieved. . . . Price-fixing has been tried 1,000 times. It is never efficient except in depriving consumers of the benefit of new methods of production or distribution. It assuredly will not work in the Winnipeg bread industry.

Where Would It End?

"And where would price-fixing end? We have it now with milk. Fix the price for bread and there would very soon be a demand for fixed prices for butter and other food products . . . . In Toronto a by-law was recently passed, fixing prices for dyeing and cleaning, but it is already a dead letter . . . The time to call a halt in Manitoba is now."

The editorial quoted also scouts the argument about the effect on wages, pointing out that the Minimum Wage Act governs that. It feels that the proposals for licensing bakeries and bread dealers are indefensible. There is already "too much of a plague of licenses and license inspectors."

Settled in Ontario

However sound these arguments may be, it is also true that the bread industry in Winnipeg has been having a mighty hard time of it since the chain stores entered Winnipeg in 1929 and especially since they introduced loss leaders in 1934. In Toronto, Montreal and eastern cities a similar price war developed. The chain stores and the bread companies got together, however, and the practice stopped. Apparently the chain store companies decided they had more to gain by keeping the bread industry in a fairly profitable position and by not antagonizing labor which is dead against the use of loss leaders. It is understood that in Winnipeg chain store companies and bread manufacturers might have come to an understanding but for the attitude of two or three chain store companies which found the controversy a useful advertisement for bringing consumers into their stores for cheap bread.

Very Cheap Bread

And the bread they got was very cheap.

In Winnipeg the price war started in 1929 when chain stores made their appearance. For a few months in 1934 a five cents per loaf price prevailed but in November the price war was resumed. Prices fell to three loaves for ten cents with a further cut November 14, 1934, by Neal Brothers, Ltd., for nine cents. That price was adopted by all the other large chain stores, and the independent grocers had to follow. According to one witness, some bread was sold at two loaves for five cents.

In November, 1934, bread prices were agreed upon unanimously by bakers and distributors in the office of the Attorney-General on November 20, 1934, and were as follows:

Cash and carry prices: 16 oz. wrapped, six cents or two for eleven cents; 16 oz. unwrapped, five cents or two for nine cents.

Delivered prices (from store or wagon): 16 oz. wrapped, seven cents, and 16 oz. unwrapped, six cents.

Low Price Governs

There was stability until the late summer of 1935 and then the management of Neal Brothers and Safeway Stores withdrew and cut bread prices once again. That precipitated the Whitla enquiry.

"It was demonstrated in evidence that when a cut in bread prices was advertised," says the commission, "such price immediately became the prevailing price owing to the fact that all retail stores had to sell bread at the lowest advertised price or lose their customers. The first cut by Neal Brothers and Safeway Stores from the prices arranged with the Attorney-General was to two loaves for seven cents. Everybody followed.

"Early in October, 1935, Safeway Stores raised the price of bread to four cents per loaf, and that became the retail price of bread in all the stores in Greater Winnipeg. That price still prevails."

The Commission accepted Department of Labor figures as showing the following average retail price in Canada over these years:

1930	7.5 cents
1931	6.3 cents
1932	5.9 cents
1933	5.6 cents
1934	5.8 cents
1935	5.9 cents

Canada Bread Leads

Of 1,044 employees of the baking industry in Winnipeg, the three large companies employed 41 per cent of the bulk total: Canada Bread Co. leading with 178 employees; Speirs Parnell Baking Co. second, with 151 employees, and Bryce Bakeries third with 103 employees.

The only chain store groups which operate their own bakeries were Neal Brothers and Safeway Stores. The Safeway bakery was called the Maximum Bakery. They employed 3.4 per cent of the total number of employees in the baking industry and produced 5 per cent of the total annual output.

The total capital invested in the establishments manufacturing bread and other baking products in Winnipeg was in 1933 $2.4 millions. The annual production of bread in Greater Winnipeg is not less than 50 million lb. Half of this amount is manufactured in the three plants already mentioned: Canada Bread Co. leading with 10.7 million lb.; Speirs Parnell Co. second, with nearly 8.3 million lb.; and Bryce Bakeries third, with 6.3 million lb. City Bread Co. produced 1.7 million lb.; Maximum Bakery (Safeway), 1.6 million lb.; Neal Brothers, 1.1 million lb., and International Bakery, 584,379 lb.

The commission found that by far the greatest quantity of bread consumed in the area of Greater Winnipeg was delivered by sales made from the wagon.

The two large departmental stores and the hundreds of independent stores are solely dependent upon the organized baking companies for their daily requirements of bread. These concerns have therefore not been a contributing factor to the sale of bread at cut prices in Winnipeg. They sell at the prevailing retail price.

"It has been established," says the report, "in evidence that bread has been sold by the chain stores of Safeways, Piggly Wiggly and Neals without regard to the cost of the manufacture or the cost of selling. Their object in so doing was to use bread to entice customers to their stores for the purpose of increasing sales of their other merchandise. This was frankly admitted by S. F. Neal, the proprietor of a chain of 27 cash and carry stores.

Delve Into Costs

The commission considered Neals' figures of cost purely guesswork. The only dependable evidence on real costs, offered, the commission considered, was that submitted by Canada Bread Co., Speirs Parnell Baking Co. and Bryce Bakeries. Their cost accounting systems were proven to be the most accurate, and their establishments with years of experience behind them are operated most economically and with minimum waste. Their figures show that the cost of producing a loaf of bread was about one-half cent higher than that estimated, but not established, by the chain cash and carry stores. The costs of independent bakers were higher in each case than those established by the large bakers.

In order to enable the independent storekeeper to compete and maintain his retail sales of bread, two burdens were imposed on some of the baking concerns. One was the introduction of a system of rebates, which in time extended to practically every individually owned store in Winnipeg. The second factor was the baking of a secondary loaf known as a "grocer's special" in which the quantity of certain ingredients was reduced. A differential of one cent per pound loaf was allowed on this secondary loaf, which was only sold to grocers for their counter trade as the whole loss on this class of bread was thrown on the bakeries. This fact and the forced rebate allowances constitute a menace to the stability of the industry as a whole, says the Whitla report.

Chain Store Profits

"The chain store, carrying many other lines of merchandise, is not dependent upon the sale of bread for its existence. On the other hand, the bakeries, large and small, and the little family organizations who derive a liveliihood by baking and selling modest quantities of bread, have but one commodity to sell, and no compensating lines to meet this competition. The hundreds of small grocers, whether independently operating or in associated groups, also suffer by this unfair practice which is disastrous to the industry as a whole. The ultimate result can only be unemployment to a large group of workers, a lowering of the scale of wages in the industry, also financial embarrassment to bakers and dealers large and small."

Wages and Hours

Wages and hours were also probed. The average for the Dominion in wages was $25.10 weekly, and the hours 50.7 hours a week. In Winnipeg the hours ran from 48 to 54 hours, and the wages from $12 to $28. The bakeries baking for the chain stores pay rates considerably below the rates paid by the larger bakeries.

The commission was "convinced that the wages paid to managers and help in the chain cash and carry stores are inadequate, having regard to the duties and responsibilities imposed." The hours ran to as high as 64 hours a week, and the commission finds that "there is no doubt that one of the chief policies of the chain cash and carry stores is to operate at a minimum expense as far as labor is concerned."

The board found that by and large the quality of bread sold in Winnipeg compares favorably with official analyses of bread sold elsewhere in Canada.

Minimum Below Dominion Average

The position taken by the chain stores throughout the enquiry was that there should be a differential of two cents between the counter price and that charged at the door of the consumer. The bakeries argued there should be no differential. The commission decided to compromise by finding out what would be a fair minimum retail sales price for a counter loaf of bread. As costs were variable the commission itself set no price but it suggested that the Municipal and Public Utilities Board should set the fair minimum at which bread can be sold over the counter at one cent below the average price for the whole of Canada for a one pound plain white pan loaf of bread. To finance inspection and control the report proposes that all bakeries and vendors of bread in Manitoba be licensed at a minimum fee by the government of Manitoba.

In Any Event Bakers Wrong

One amusing conflict of jurisdiction came to light during the enquiry of the Whitla commission into the bread price war in Winnipeg.

The city of Winnipeg bread by-law requires that each loaf bear a label, while the Public Health Act of Manitoba prohibits any label being affixed to bread.

What can the poor baker do in that case? He gets it in the neck whatever he does if both jurisdictions insist on the law being obeyed.

Vancouver Is Surviving Its Roller-coaster Ride

By BOND DEALER

VANCOUVER. — It all started with the election of the most remarkable mayor, Gerry McGeer, Vancouver has had in her 50 years of existence, since the disastrous fire of 1886.

The mayor was born and raised here—used to work on his father's farm and sell milk from door to door. He then became a boiler maker and still holds his union card. He then studied law and was called to the bar, and was later elected to the provincial legislature at Victoria. He had different ideas from his party.

Gerry was elected to govern Vancouver on a platform of civic improvement — better government—clean out the City Hall—clean up the police force—clean up vice and start afresh. He has kept his election promises.

Purging The City

So—the police force was cleaned up—the City Hall staff was cleaned up—no more dens of vice in Chinatown. Gerry preached in the churches on Sundays — declared days of humiliation—no more slot machines—civic purity was the watchword.

Then the bondholders came into the spotlight—the wages of men vs the wages of money—which came first? Should the bondholders get their interest while thousands were on relief? Vancouver suddenly made the front page of every newspaper from Victoria to New York and London, England. The city council proclaimed by resolution that no more or no less than three per cent was to be paid on Vancouver bonds in future.

Bondholders Decline

A bondholders' meeting was held and bondholders were invited to accept three per cent instead of five or 5½ per cent which they were previously receiving. The bondholders said "no" and that was that (for the time being).

The next step was to build a city hall. One million dollars or more was raised for this purpose by the mayor—with some help from certain business men and a committee. The patriotic citizens were invited to come forward and loan the money at three per cent for 10 years, and many did—not however, without several large contributions from leading business and industrial concerns. They could take their choice between three per cent baby bonds at par, or the city's outstanding five per cent issues, selling on the market at $85 or thereabouts.

So the city hall was financed and after numerous lawsuits questioning the legality of the bonds, the contract let—only two tenders were submitted because baby bonds were to be in part payment.

The next scene in the play "Little Orphan Vannie," was the tossing of the mayor's cap into the federal election ring—on to Ottawa! Spread the doctrine East! "Go East, young man—your heritage awaits you!" Then the counting of votes—he's in—he's out—he's in again—a close tie with the C.C.F. school teacher, candidate for Burrard district.

The mayor is now M.P. for Burrard at Ottawa. He has made his maiden speech—and a very good one, too. Several millions are advocated to be spent in Vancouver (some $20 millions or so); the federal government to print new money, or the Bank of Canada to issue it for public works—Vancouverites do not disagree with the necessity of the works but some of them ask the tiresome question "Who is going to pay the bill?"

But the mayor has also let it be known that he is retiring at the end of his term. Some citizens will be glad and some sorry—but we will all at least know what is coming next and not wake up every morning to see the drama of the city hall unfold—a new act every day—a new headline for breakfast.

Finances Improve

Behind the scenes what is happening? Vancouver's financial position is improving—slow but sure—last year taxpayers paid over 70 per cent of their taxes. Vancouver has met every obligation, except sinking fund installments, to date, in spite of loud declarations to the contrary Holders of the city's bonds have plenty of security Vancouverites vigorously assert.

Dosco Faces Good Season States Moore

Gains Made by Company in 1935 Expected to Hold

From Our Own Correspondent

MONTREAL.—Dosco's steel plant at Sydney operated at 74.5 per cent capacity in 1935, as compared with 65.1 per cent in 1934. Based on indications to date, Sir Newton Moore told shareholders at the annual meeting, anticipated operations in 1936 will not be less than in 1935.

Increased production last year was due partly to domestic and partly to export business. Export sales amounted to 48 per cent of the total. Over 73,600 tons were shipped to England.

Must Maintain Exports

"Owing to continental and other competition," said Sir Newton, "the prices obtained from this business did not show any appreciable profit, and until domestic business returns to normal and the railway companies increase their requirements, every effort must be exerted to maintain this export business so that the plant may operate at as high a ratio as possible in order to provide the maximum employment to our workmen."

Increased steel operations resulted in larger consumption of coal. This condition was particularly noticeable during 1935 as reduced sales of coal in other markets reduced the production at the mines. Consumption at the steel plant of 603,249 tons represented an increase of 100,499 tons over 1934.

Help Iron Ore Mines

During the year the iron ore mines of Wabana produced 662,441 tons of ore, compared with 506,616 tons in 1934. Owing to the exchange situation, Dosco's German customers were unable to provide funds for the purchase of ore, and shipments to that market were somewhat reduced. Large operations in Sydney, however, necessitating the use of 401,626 tons, more than replaced this tonnage and enabled the ore mines to operate at a higher percentage than in 1934.

Prospects of iron ore shipments under contracts with the German steel manufacturers are still uncertain. The company, however, has received payment in full for all ore supplied on German contracts at the end of the year. Efforts are being made to induce British steel manufacturers to purchase substantial quantities of ore,

Subsidiaries Report Progress

Dosco's limestone quarries at Port-au-Port produced 226,974 tons in 1935. The shipping pier and equipment at this plant were entirely remodelled which greatly reduced the cost of operations.

There was an increase in operations of other steel subsidiary companies, while the Halifax Shipyards operated at fair capacity.

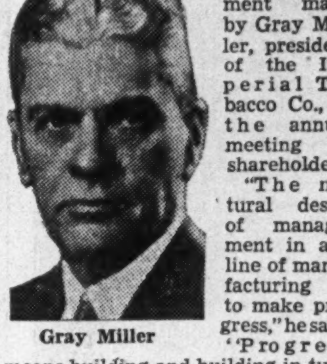
In describing to the shareholders the importance of the company's operations, Sir Newton Moore pointed out that during 1935 Dosco and its subsidiaries carried an average working force of 18,250 employees and dispersed the following amounts: wages, $19,189,150; pensions, $95,856; compensation, $531,628; taxes, $858,018; royalties, $559,378; other disbursements, $19,041,982, making a total of $40,276,012.

Would Aid All

Gray Miller Sounds Aims of Business

From Our Own Correspondent

MONTREAL. — Responsibility of industrial management goes much deeper than merely making an account of stewardship to shareholders, according to the statement made by Gray Miller, president of the Imperial Tobacco Co., at the annual meeting of shareholders.



Gray Miller

"The natural desire of management in any line of manufacturing is to make progress," he said. "Progress means building, and building in turn presupposes a plan that is structurally sound.

"The structure of the tobacco industry is a many-sided affair. First, but not necessarily most important, is its financial structure for paying capital a reasonable return on the money invested in the companies manufacturing tobacco. Preceding the manufacture, there is the agricultural structure, which affects the growers of tobacco leaf. Incidental to manufacture, there is the labor structure, which includes the fair treatment of all employees. After manufacture, there is the commercial structure that affects the jobbers and retailers of tobacco products.

Co-ordinate All Phases

"It is only when all four phases of this structure are so co-ordinated that each is rewarded fittingly for the contribution it makes, and rewarded, moreover, to an extent that ensures a decent standard of living for all those engaged therein, that the completed structure can be said to be sound.

"Judged by these rules, the Canadian tobacco industry is, I like to think, a fine example of structural soundness. As now organized, after many years of wise planning and persistent effort, it provides all concerned, from the primary producers right through to the retailer who supplies the consumer, with a real incentive to do good work and plenty of it. And having done that, it has done the one thing most likely to be conducive to its stability and healthy growth."

W. A. Arbuckle Elected To Asbestos Corp. Board

From Our Own Correspondent

MONTREAL.—W. A. Arbuckle, of Great Britain and Canada Investment Corp., has been elected a director of Asbestos Corp. Ltd. He will represent certain English interests who are substantial holders of Asbestos Corp. securities.

The BACHELOR'S CORNER

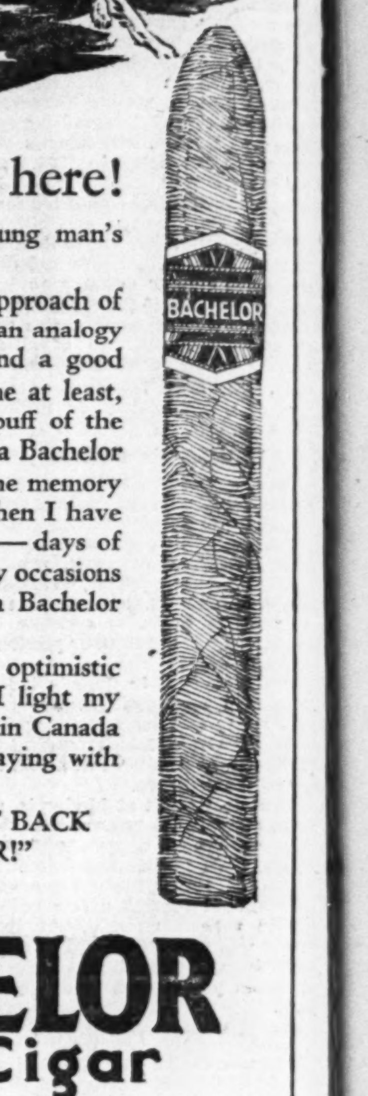
Now that April's here!

In the spring time a young man's fancy turns to love.

Perhaps, too, it is in the approach of spring that I seem to find an analogy between a poet's fancy and a good cigar. I know that, for me at least, when I draw in the first puff of the pure Havana fragrance of a Bachelor there comes to my mind the memory of countless other times when I have performed this simple rite — days of good companionship, happy occasions or quiet moments when a Bachelor was a gentle friend.

Then, too, there is the optimistic note for I know that, as I light my Bachelor, men everywhere in Canada are doing the same and saying with me—

"IT'S GOOD TO GET BACK TO A 10c CIGAR!"



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100% Havana Filler

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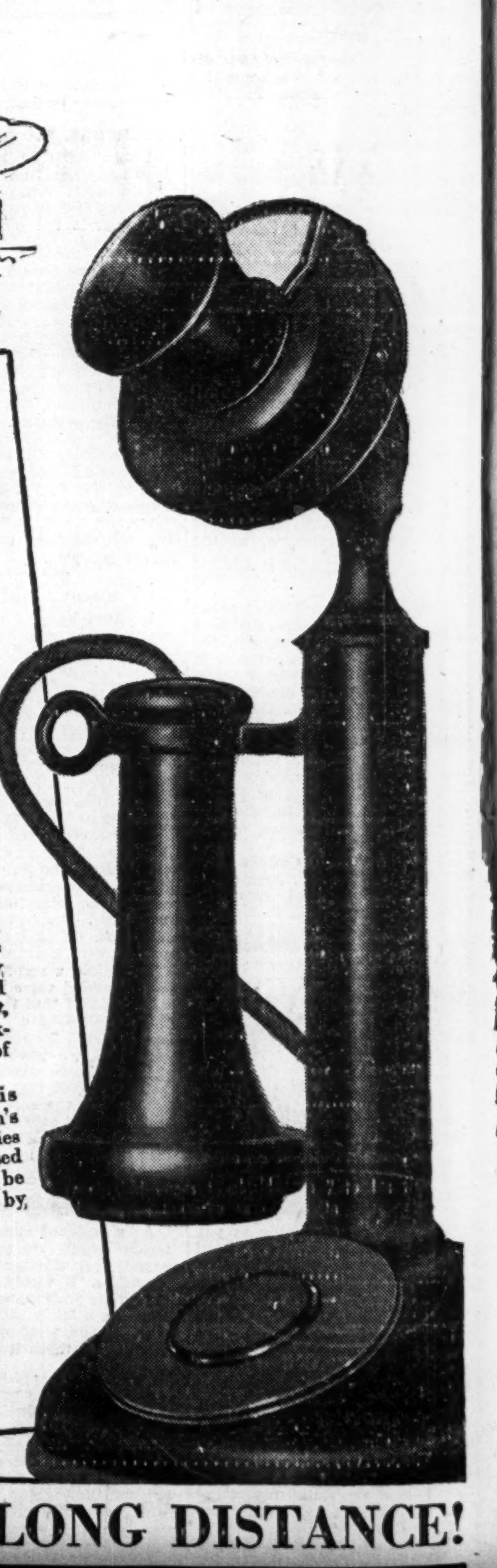
9 Telephone Calls costing only $9.50 produced $687 in business.

The enterprising Sales Manager of a large chemical supply corporation on a recent trip put to good use the time he had to spare between trains.

In the two and one-half hours available he placed, in addition to numerous calls to local firms, nine Long Distance calls to customers in nearby towns and cities. The total cost of the calls was $9.50, from which resulted approximately $686.86 worth of business.

An interesting angle is brought to light in this man's reflection that "the parties called were well pleased that the trouble should be taken to call them up by telephone."

THE BELL TELEPHONE COMPANY OF CANADA — LONG DISTANCE TELEPHONE



Build Business with LONG DISTANCE!